



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 9
to
Contract Number 071B0200097

CONTRACTOR	DATAWORKS PLUS, LLC
	728 N. Pleasantburg Drive
	Greenville, SC 29607
	Randy Hall
	610-332-9559
	rhall@dataworksplus.com
	*****4887

STATE	Program Manager	Peter Langenfeld	MSP
		517-898-0286	
	langenfeldp@Michigan.gov		
	Contract Administrator	James Topping	DTMB
(517) 284-7032			
ToppingJ@michigan.gov			

CONTRACT SUMMARY				
DESCRIPTION: MSP Maint. Contract				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
October 1, 2009	September 30, 2014	2 - 1 Year	September 30, 2019	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		Click here to enter a date.
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$4,487,971.32		\$ 0.00	\$4,487,971.32	
DESCRIPTION: Effective immediately the Program Manger is updated to Peter Langenfeld.				
All other terms, conditions, specifications, and pricing remain the same per Contractor and Agency agreement and DTMB Procurement approval.				



CONTRACT CHANGE NOTICE

Change Notice Number 8
to
Contract Number 071B0200097

CONTRACTOR	DATAWORKS PLUS, LLC
	728 N. Pleasantburg Drive
	Greenville, SC 29607
	Randy Hall
	(610) 332-9559
	rhall@dataworksplus.com
	*****4887

STATE	Program Manager	Roach, David	MSP
		517-241-2220	
	roachd2@Michigan.gov		
	Contract Administrator	James Topping	DTMB
(517) 284-7032			
ToppingJ@michigan.gov			

CONTRACT SUMMARY				
DESCRIPTION: MSP Maint. Contract				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
October 1, 2009	September 30, 2014	2 - 1 Year	September 30, 2016	
PAYMENT TERMS		DELIVERY TIMEFRAME		
N/A		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>	3 years + 2 – 1 year	September 30, 2019
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$2,594,069.65		\$ 1,893,901.67	\$4,487,971.32	

DESCRIPTION: Effective August 1, 2016, this contract is extended 3 years; there will be two option years, one year period available to be exercised at the discretion of the State; and is increased by \$ 1,893,901.67 . The revised contract expiration date is September 30, 2019. Please note the Contract Administrator has been changed to James Topping. All other terms, conditions, specifications, and pricing remain the same. Per agency request, DTMB Procurement approval, and State Administrative Board approval on July 26, 2016.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 525 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 7
 to
CONTRACT NO. 071B0200097
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Dataworks Plus, LLC 728 N. Pleasantburg Drive Greenville, SC 29607	Randy Hall	rhall@dataworksplus.com
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	610-322-9559	-4887

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	MSP	David Roach	(517) 241-2220	Roachd2@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jarrold Barron	(517) 284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: 551 MSP FY2010 Establish Maintenance Contract			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2009	September 30, 2014	2, one year	September 30, 2015
PAYMENT TERMS	F.O.B.	SHIPPED TO	
N/A	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF EXTENSION/OPTION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1 year	September 30, 2016
CURRENT VALUE		VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE	
\$2,173,123.22		\$420,946.43	\$2,594,069.65	

DESCRIPTION:
 Effective August 18, 2015, the State exercises the final maintenance option year, adds a system enhancement, and procures additional storage equipment in accordance with the attached cost table, statement of work and documentation. The total value of this change notice is \$509,710.58, utilizing \$88,764.15 existing funding and adding \$420,946.43 to the contract value. The new contract expiration date is September 30, 2016, and the new total estimated contract value is \$2,594,069.65. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board on August 18, 2015.

Change Notice No. 7 Cost Summary

ITEM	ITEM COST	TOTAL
OPTION YEAR MAINTENANCE		
SNAP software maintenance	56,053.08	
Watchlist Application maintenance	2,520.00	
Facial Recognition Case Mgmt Client Software maintenance	6,120.00	
Transaction Controller for Latent Print & Face Submissions maintenance	2,240.00	
NELTS Interface to SNAP System maintenance	2,660.00	
SNAP System Physical Servers maintenance	13,583.00	
Digital CrimeScene System maintenance	6,234.00	
Facial Recognition System maintenance	123,325.00	
Mobile Facial Recognition System maintenance	1,330.00	
Side by Side Comparison Application Module for Facial Recognition maintenance	302.00	
FBI Facial Recognition Submission maintenance	756.00	
TOTAL OPTION YEAR MAINTENANCE*		215,123.08
MOBILE FINGERPRINT ID ENHANCEMENT**		235,470.00
STORAGE EQUIPMENT AND INSTALLATION***		59,117.50
TOTAL		\$509,710.58

*Prices per existing contract.

**See attached mobile fingerprint ID Statement of Work and associated vendor quote for details.

***See attached storage equipment Statement of Work and associated vendor quote for details.



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK**

Project Title: Mobile Fingerprint ID	Period of Coverage: 6/1/2015 – 5/31/2016
Requesting Department: State Police	Date: 4/1/2015
Agency Project Manager: Michael Ransom	Phone: (517) 241-1740
DTMB Project Manager: Gordon Mayes	Phone: (517) 241-2257

Brief Description of Services to be provided:

BACKGROUND:

The Michigan State Police (MSP) currently have one hundred and three (103) mobile fingerprint scanning devices. Fifty two (52) of these devices are IBIS extreme scanners that are paired with BlackBerry phones and use these phones to communicate the responses of fingerprint inquiries to the troopers. The other fifty one (51) scanners are Crossmatch Verifier scanners, which have been purchased and have never been deployed to the field due to not being able to deploy compatible software.

Due to decisions made by the State of Michigan, the BlackBerry devices will not be used or supported any longer and thereby forces another solution to be implemented by year's end to keep these highly successful devices in the hands of law enforcement. This solution will at the same time allow the State to deploy the Crossmatch Verifier scanners not previously used. The new solution will enable the use of a smartphone that uses an Android operating system or an in-car computer. This will not only save nearly \$200,000 a year by eliminating the cost of the BlackBerry server, but it will make Mobile ID transmission easier for the troopers, while at the same time employing all the latest security rules and encryption standards and setting the stage to be able to interface and submit fingerprints and facial recognition without using multiple devices and/or phones.

PROJECT OBJECTIVE:

This request is to have Dataworks Plus Corporation develop the software to run one hundred and three (103) mobile fingerprint devices on Mobile Data Computer (MDC) and Android platforms.

SCOPE OF WORK:

The scope of work includes customizing, maintaining software, along with supporting the current one hundred and three (103) handheld scanners. It also includes the creation and deployment of advanced authentication which is not currently used and is mandated by the Criminal Justice Information Services (CJIS).

TASKS:

Customize and deploy existing Dataworks software to enable the use of the Mobile ID devices in Michigan. The software needs to be tailored to meet the needs of Michigan State Police (MSP) and adhere to all Michigan laws and statutes and any additional rules or regulations dictated by the State of Michigan or the MSP. Create and deploy advanced authentication software to increase security and be in compliance with CJIS rules. Incorporate web interfaces to allow different administrators to administer Mobile ID users.

For Phase I DataWorks Plus will:

- Provide, install and configure Microsoft SQL Server
- Install SAF-ID Application Server License, configure and test
- Install Transaction Manager software, configure and test
- Install Report Manager software, configure and test
- Install Two Factor Authentication Server software, configure and test

- Provide 51 SAF-ID client licenses
- Provide 51 Two-Factor Authentication client licenses
- Provide instruction on installing the Two Factor Authentication client license
- Provide instruction on installing SAF-ID application
- Provide instruction on pairing Verifier Mw
- Provide On Site SAF-ID Administrator "Train the Trainer" training
- Provide On Site SAF-ID Client "Train the Trainer" training
- Provide System Documentation, both printed and electronic.
- Provide Routine updates and security patches for server(s) OS and Anti-Virus software

For Phase II DataWorks Plus will:

- Integrate the IBIS Extremes with current SAF-ID application
- Provide 52 SAF-ID client licenses
- Provide instruction on pairing IBIS Extremes

For further information, including detailed descriptions of vendor approach and screenshots, see vendor's attached MOBILE-ID Statement of Work For Michigan State Police.

DELIVERABLES:

Deliverables will be all software development and licenses for all mobile fingerprint devices along with maintenance of scanner hardware and all software that is involved to operate these devices. This would include licenses for software for one hundred and three (103) mobile fingerprint devices, software that allows the user to log in on a cell phone using both their fingerprints and a username and password, and administrative interface to monitor and handle all users and transactions.

- Configured Microsoft SQL Server
- SAF-ID Application Server License, configure and test
- Transaction Manager software, configure and test
- Report Manager software, configure and test
- Two Factor Authentication Server software, configure and test
- 103 SAF-ID client licenses
- 51 Two-Factor Authentication client licenses
- instruction on installing the Two Factor Authentication, SAF-ID and how to pair Verifier Mw and IBIS Extremes to both Smart phone and Mobile Data Computer
- Provide On Site "Train the Trainer" training for SAF-ID Administrator and SAF-ID Client
- Provide System Documentation, both printed and electronic.
- Provide Routine updates and security patches for server(s) OS and Anti-Virus software

ACCEPTANCE CRITERIA:

Software will be implemented after all testing is done by DataWorks Plus and the Mobile ID Unit within the MSP. Any maintenance or support required on any device must be completed in a timely manner based on contract requirements. Devices must always be maintained so they are fully functional. For Michigan State Police acceptance for following will have to be tested and approved:

- Two-Factor Authentication will need to be tested for functionality and to assure it meets all security requirements set forth by both Criminal Justice Information Services (CJIS) and Michigan Department of Management and Budget (DTMB).
- Provided all system features are working properly, both FBI and State of Michigan responses will need to be returned in under four minutes 95% of the time.
- Querys sent on two different scanners should not degregate response time and should still be returned in under four minutes 95% of the time
- A query will be sent through using the dual authentication to not only assure the functionality of the authentication but the network configuration of the server is functional.
- Authentication piece will be tested by valid users and users that should not be in the system and must function at 100% success rate.
- Application interfaces for the MDC and Android phone will be tested to make sure it matches the Statement of Work created and sent to Dataworks.
 - Both IBIS Extremes and Crossmatch Verifiers will be tested in an MDC environment.
 - Crossmatch Verifiers will be tested with the Android phone.

The parties also incorporate the following acceptance criteria from vendor's attached MOBILE-ID Statement of Work For Michigan State Police:

Verifier/Android Solution

- Two factor authentication upon login.
- Enrollment of fingerprints of users.
- Encrypt Criminal Justice Information on the scanner according to FIPS 140-2 standards.
- Auto-delete transactions off History Screen on Android device after a configurable number of days.
- Automatic deletion of fingerprints off of the scanner as they are successfully sent for a search.
- Automatic log out of application after a configurable number of minutes of inactivity.
- Have capability to take photo.
- If there is a Hit, only return Hit responses.
- Fingerprint Lookup Application will work on Android system running 4.2.2., or higher.
- Orientations of view on Android must be both landscape and portrait.
- Response times should not exceed five minutes.
- Password requirements:
 - User will be prompted to change the temporary password upon initial login of the application.
 - User will be prompted to change password beginning up to ten days prior to the password expiration. User will receive message only once per day for each scanner until password is changed.
- Verifier will default to Left Hand for the user to then select index and middle fingers for capture, but also have the option to scan the thumb as well. There will be no option for the user to scan either the ring or pinky fingers. The user will have the ability to scan the right index, middle and thumb, if needed.
- The History Screen rows shall be defined at 8 to 10 millimeters in height for ease of selecting each transaction row.
- The only time the word Hit should be used is if the fingerprints searched are at or above the threshold set to determine there is as a match/Hit of the subject.
- The Association Screen name and description fields will be limited to 30 characters.
- The Activity Web page will allow pre-defined viewing/editing settings for each user.
- A Michigan Response will include up to six candidates, and include the following:
 - Mugshot (if there is one)
 - Transaction Control Number (TCN)
 - Last name, first name
 - Sex
 - Race
 - DOB
 - SID
 - Score
 - Date Printed
 - Time Printed
 - Response Time
 - Response Type
- An FBI Response will include up to two candidates, and include the following:
 - Mugshot (if there one)
 - Transaction Control Number (TCN)
 - Last name, first name
 - FBI/UCN Number
 - Score
 - ACN
 - MSG
 - Date printed
 - Time printed
 - Response time
 - Response type
- MSP reserves the right to expand this list.

Verifier/MDC Solution

- Fingerprint Lookup Application for Windows 7 for use in a car based MDC.
- Encrypt Criminal Justice Information on the scanner according to FIPS 140-2 standards.
- Auto-delete transactions off activity Web page after a configurable number of days.
- Automatic log out of application after a configurable number of minutes of inactivity.

- If there is a Hit, only return the Hit.
- Automatic deletion of fingerprints off of the scanner as they are successfully sent for a search.
- Response times from search should not exceed five minutes.
- User must be prompted to change the temporary password on initial login to Web page.
- Automatic refresh of ten seconds or choice of manual refresh of the Activity Web page search results after a Hit, No Hit, or Possible Hit is determined.
- Auto detect of scanner previously paired so repairing isn't necessary.
- Search responses to Activity Web page and to the scanner should have same response type.
- Verifier will default to Left Hand for the user to then select index and middle fingers for capture, but also have the option to scan the thumb as well. There will be no option for the user to scan either the ring or pinky fingers. The user will have the ability to scan the right index, middle or thumb, if needed.
- Allow the option of user to enter name given and/or description of subject (comparison data).
- The only time the word Hit should be used is if the fingerprints searched are at or above the threshold set to determine there is as a match/Hit of the subject.
- The Activity Web page will allow pre-defined viewing/editing settings for each user.
- A Michigan Response may include up to six candidates, and include the following:
 - Mugshot (if there is one)
 - Transaction Control Number (TCN)
 - Last name, first name
 - Sex
 - Race
 - DOB
 - SID
 - Score
 - Date Printed
 - Time Printed
 - Response Time
 - Response Type
- An FBI Response may include up to two candidates, and include the following:
 - Mugshot (if there one)
 - Transaction Control Number (TCN)
 - Last name, first name
 - FBI/UCN Number
 - Score
 - ACN
 - MSG
 - Date printed
 - Time printed
 - Response time
 - Response Type
- Return all photos to the MDC application Photos tab to include all MSP and FBI mug shots, scars, marks, tattoos, driver's license, and identification photos.
- Return both MSP and FBI Rap Sheet.
- Once a response is received, the Verifier will display a Hit, No Hit, or Possible Hit message. If a Hit is obtained from *either* the Michigan AFIS or FBI RISC database, the word **Hit** will return to the scanner.
- MSP reserves the right to expand this list.

PROJECT CONTROL AND REPORTS:

The vendor will maintain a report of maintenance calls; to include date and time problem reported, date and time of solution provided, and if the system is fully operational. Vendor should also maintain record of when solution was believed to be provided and if any additional follow-up was required. Total duration of problem should also be reported. These reports should be available when requested by the Mobile ID Unit.

SPECIFIC DEPARTMENT STANDARDS:

Contractor staff must pass a criminal background check prior to accessing the network or any MSP facilities. Background checks will be done at the contractor's expense. Contractor must abide by State of Michigan standards.

PAYMENT SCHEDULE:

The price for the Mobile Fingerprint ID enhancement deliverables described in this Statement of Work is \$235,470.00. Payment will be made in one lump sum after the State has formally accepted all deliverables

listed in this Statement of Work. All invoices must be approved by the Agency Project Manager and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, deliverables provided, and fees. Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

EXPENSES:

The State will NOT pay for any travel expenses; including hotel, mileage, meals, parking, etc.

PROJECT CONTACTS:

The designated Agency Project Manager is:

Michael Ransom
Michigan State Police
Biometrics and Identification Division
333 S. Grand Avenue
Lansing, MI 48933
(517) 241-1740
FAX: (517) 241-9596
Ransomm@michigan.gov

The designated DTMB Project Manager is:

Gordon Mayes
Michigan Department of Technology, Management and Budget
333 S. Grand Avenue
Lansing, MI 48933
(517) 241-2257
Fax: (517) 241-2385
mayesgs@michigan.gov

AGENCY RESPONSIBILITIES:

MSP will be responsible for monitoring all deliverables.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

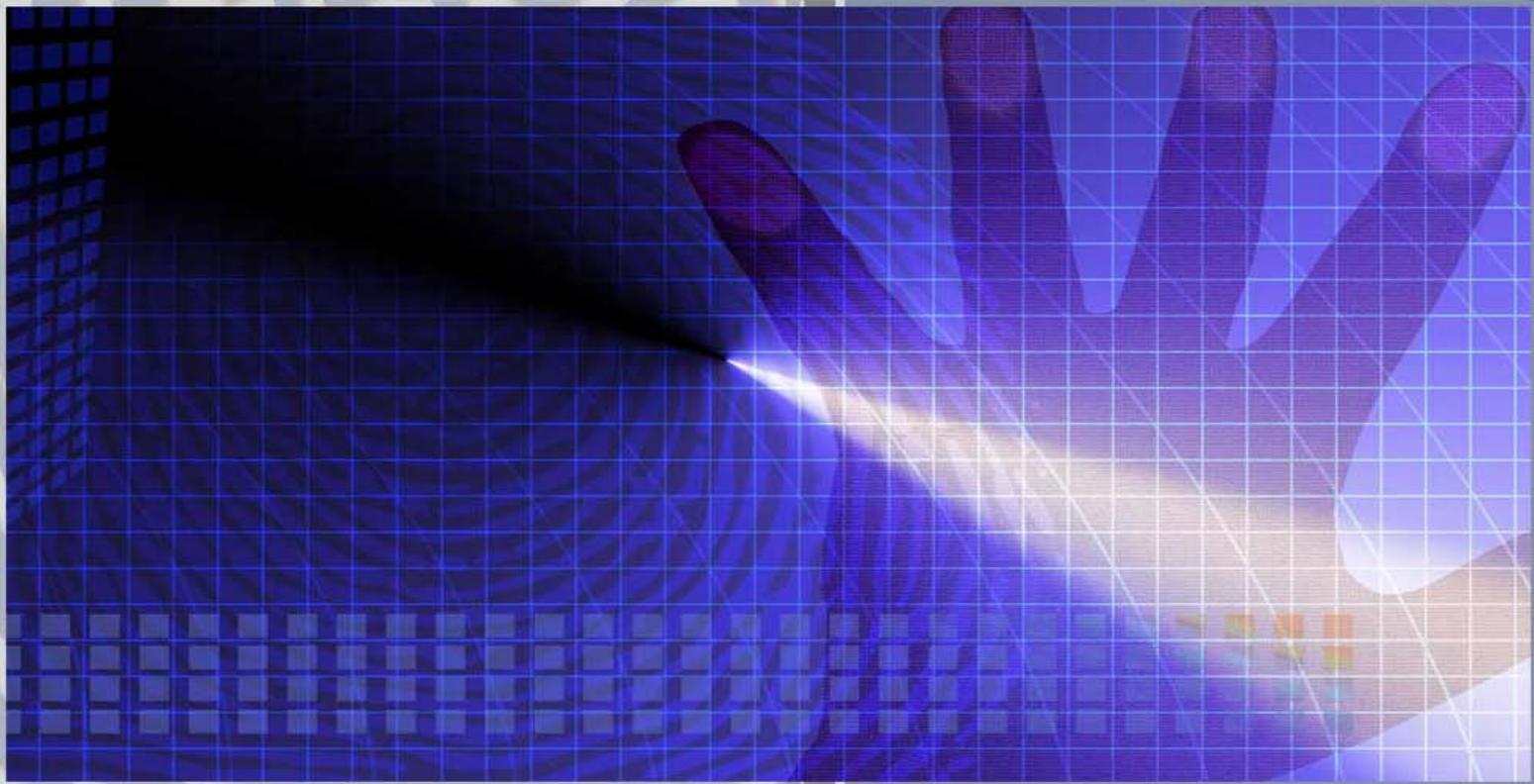
Programming and support will be completed at vendor location. Maintenance and support may need to be performed at any location within the state, but will primarily be at the Lansing MSP Headquarters.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Work shall be conducted during mutually agreed upon hours between MSP and Dataworks Plus. This must be coordinated with the actual sites availability. No overtime will be permitted.

MOBILE-ID Statement of Work

For Michigan State Police



DataWorks Plus
728 North Pleasantburg Dr.
Greenville, SC 29607
(864) 672-2780

TABLE OF CONTENTS

	Page #
1. Introduction	3
2. Objective	3
3. Future Projects	3
4. Configuration	3
4.1 General System Description	3
Verifier/Android System Description	4
Enrollment for Two Factor Authentication	4
Verifier/MDC System Description	4
Administrative Module	5
Mobile ID Enterprise Architecture Solution	6
4.2 Fingerprint Lookup Application Processing	6
Verifier/Android Solution	6
FBI RISC	13
Verifier/MDC Solution	13
4.3 Acceptance Criteria	21
Verifier/Android Solution	21
Verifier/MDC Solution	22
5. Security Authentication and Authorization	23
5.1 CJIS Security	23
Appendix 1 – Michigan State Police Mobile ID Submission to MSP and FBI Repository for Individuals of Special Concern (RISC)	
Appendix 2 – NIST Types 1 and 2	

1. INTRODUCTION

This Statement of Work (SOW) serves as a baseline technical document for the development and implementation of a Mobile Fingerprint ID (Mobile ID) system for the Michigan State Police (MSP). As such, all changes and modifications to the overall system will be incorporated within this document as part of the written record of the system's development. Initial approval of this document by MSP for contract purposes does not preclude continued updates and modifications as greater detail and specificity become available. Therefore, this document should be conceived as a living breathing document capable of adjustment and modification throughout the life of this project. DataWorks Plus (DW) will provide a Mobile ID solution for the following:

- Application for Bluetooth CrossMatch Verifier Mw (Verifier) to preferred Android 4.2.2 operating system or higher.
- Application for Bluetooth CrossMatch Verifier to preferred Windows 7 operating system, for use in Mobile Data Computers (MDCs).

Mobile ID is defined as a fingerprint capture scanner capable of working in a mobile environment, for use by users in the field to have a quick, accurate and reliable means of checking fingerprints for identification purposes.

2. OBJECTIVE

The objectives of the DW SOW are to:

- Provide MSP with a detailed description and operational concepts of the Verifier/Android and MDC solutions.
- Serve as a guideline for the contractual definition of the system functions, customization requirements, and hardware.

3. FUTURE PROJECTS

- Mobile ID solution for the IBIS Extreme Scanners to MDCs Windows 7 operating system.
- Application for a fingerprint scanner to preferred Windows 7 operating system, for use with Rapid ID. Rapid ID is similar to Mobile ID, but differs in that it will only search the Michigan AFIS database, and will be used primarily in jails and prisons to positively identify a subject in custody during intake and release.

Both projects noted above will be detailed in the future by adding an Appendix to this SOW.

4. CONFIGURATION

This section describes the components of the system. It also describes software components and how they function.

4.1 General System Description

Mobile ID is a service that provides rapid fingerprint identification for submissions from a mobile fingerprint acquisition scanner (Verifier) launched by either an Android smartphone, or MDC. Mobile ID accepts, processes, and responds to fingerprint identification requests that contain two fingerprint images (thumb, index, middle fingers only) then searches the Michigan AFIS and FBI RISC databases. Mobile ID fingerprint searches will be matched against records contained in the Rolled Database – Tenprint (RDB-T). These transactions are search-only transactions for identification (1:N searches). Images utilized in these searches will not be registered in either the Michigan or FBI fingerprint databases. The system is housed at the MSP Headquarters and services requests through a secure internet connection from authorized personnel. The MSP AFIS will receive and process TPIS transaction searches, and concurrently the Next Generation Identification (NGI) FBI will process RPIS transaction searches. Search results are placed in the Out Directory on the NEC Landing Server. The DW Transaction Manager will consistently check the NEC Out Directory for the presence of a file named SUBMIT and return the responses to the submitting Android or MDC application. All CJIS and state based security concerns will be adhered to.

Verifier/Android System Description

Minimum Requirements for Android:

- Jelly Bean 4.2.2 Operating System
- Any Android phone with a camera
- Mobile Device Management (MDM) installed on phone
- Bluetooth enabled with encryption

Recommended Requirements for Android:

- Samsung Galaxy S4 or S5

The Android smartphone uses two-factor advanced authentication as required by CJIS Policy 5.3. The first factor requires the user to log into the Fingerprint Lookup Application located on the smartphone with a username and password. The information is sent to the SOM External Web Server and crosses the internal DMZ Firewall through Zone 2, it then crosses the MSP HQ Firewall into Zone 3 where the Internal SQL Server is located and authenticates the user id and password. Once established, it sends the authentication electronically back to the SOM External Web Server where it now will accept the second factor which requires the user to place their right or left index finger onto the scanner for submission and authentication. This process sends the fingerprints back across the Internal DMZ Firewall, through Zone 2, past the MSP HQ Firewall to Zone 3 the Internal SQL Server where it then pushes the fingerprints to the Dedicated Fingerprint Authentication Server also located in Zone 3. Once the fingerprints are authenticated, it sends a session back through Zone 2, to the SOM External Web Server, allowing the Android/Verifier User to take the subject's fingerprints.

Once the subject's prints are taken, they are sent through Zone 1, Zone 2, and Zone 3 through the Internal SQL Server to the DW Transaction Manager where it then pushes the prints to the NEC Landing Server. NEC will process the fingerprints and search the Michigan AFIS (TPIS). There is also a concurrent Next Generation Identification (NGI) FBI Search (RPIS). Both the TPIS and RPIS search results will contain a Hit/No-Hit/Possible Hit result, with mug shot images (if there are any), and be placed in the Out Directory on the NEC Landing Server. The DW Transaction Manager will consistently check the NEC Out Directory for the presence of a file named SUBMIT and return the response(s) to the application located on the submitting Verifier.

For more information as it relates to the Directory Structure Interface, please refer to Appendix A.

Enrollment for Two-Factor Authentication

MSP will determine all users who must comply with two-factor authentication and ensure relevant prints are located in the AFIS and/or Archive databases. MSP will then manually find the SID/TCN of each user and download it from Archive. This EBTS file will be saved to a location on the DW server where it will be used to enroll the person into the authentication structure.

DW has proposed an import that automatically pulls files dropped into a directory by the click of a button that offers two options of either "Import from Archive", or "Import from File".

Verifier MDC System Description

An MSP Verifier/MDC user will login with a user id and password to the DW's Administrative Module by clicking on the icon located on the MDC desktop. The user will take the subject's prints and submit them using a NetMotion connection. The session will pass through the NetMotion servers located in Zone 1, then cross the Internal DMZ Firewall into Zone 2, then Zone 3 where it will connect to the Internal Web Server, the Internal SQL Server, the DW Transaction Manager, and finally to the NEC Landing Server. NEC will process the fingerprints and search the Michigan AFIS (TPIS). There is also a concurrent Next Generation Identification (NGI) FBI Search (RPIS). Both the TPIS and RPIS search results will contain a Hit/No-Hit/Possible Hit result, with mug shot images (if there are any), and be placed in the Out Directory on the NEC Landing Server. The DW Transaction Manager will consistently check the NEC Out Directory for the presence of a file named SUBMIT and return the responses to both the Verifier and Activity Web page.

For more information as it relates to the Directory Structure Interface, please refer to Appendix A.

The minimum required for the MDC in the car is:

- Windows XP Operating System
- One (1) GB memory
- One (1) GB disk space
- Bluetooth enabled, or USB port connection to the Verifier

Recommended configuration for the MDC in the car is:

- Windows 7 Operating System
- Two (2) GB Memory
- Two (2) GB Disk Space

Administrative Module

DW currently offers its clients three Web pages to accomplish administrative tasks.

Per MSP's request, DW has proposed the creation of one administrative module to contain three tabs offering the same functions of each Web page currently. Upon login, the user will only see what they have access to.

For purposes of this project, the MSP requests each tab function as follows:

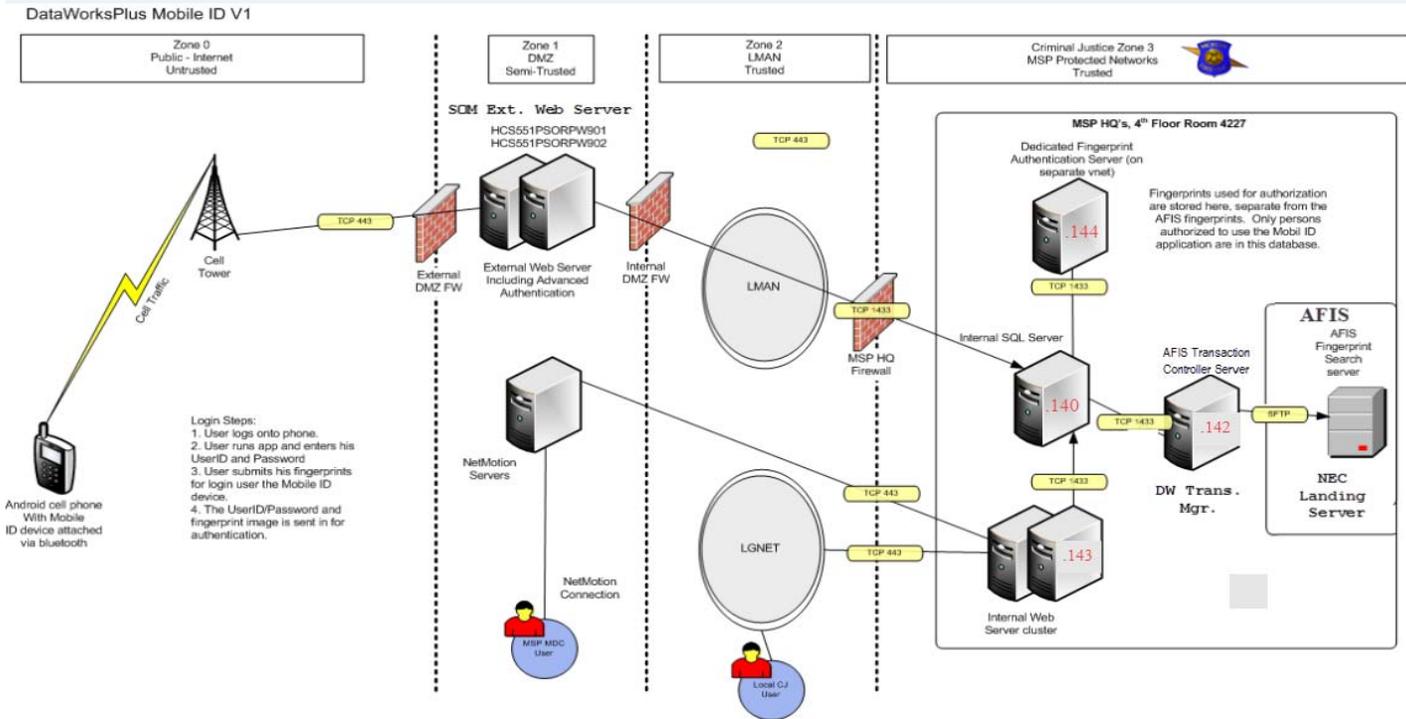
- **Activity Tab:** the activity tab will launch the activity Web page, and allow the user the access to view full search transactions for both Android and/or MDC solutions. Each user will have a pre-defined profile that may or may not include administrator rights. Essentially the activity page will allow the user the right to view all transactions specific to their agency only.
- **Device Registration:** the device registration tab will launch the device registration Web page and allows the administrator rights to register scanners to either Android devices, or MDCs.
- **Administrative/User Management:** the administrative/user management tab will launch the user management Web page and will contain all users registered to use the scanners. The administrator will have the ability to enter the following information for each user:
 - Name
 - ORI
 - Email
 - Enrollment date (if applicable), and ability to terminate enrollment
 - User ID
 - Change
 - Establish and change password for application(s)

The user management page must have the ability to have custom fields added or deleted to it at any given time.

The MSP administrator will have the ability to configure:

- idle timeout of the application
- number of days to auto-delete transactions off history screens

MOBILE ID ENTERPRISE ARCHITECTURE SOLUTION



4.2 Fingerprint Lookup Application Processing

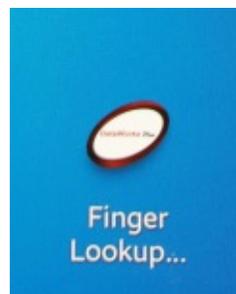
Verifier/Android Solution

The Verifier will run the RapidID Firmware version R4.4.10 02/07/14, or a Firmware created by Dataworks tailored for MSP use to include the option of the scanner defaulting to the left hand for fingerprint capture.

The Verifier will pair with an Android phone via an encrypted Bluetooth connection.

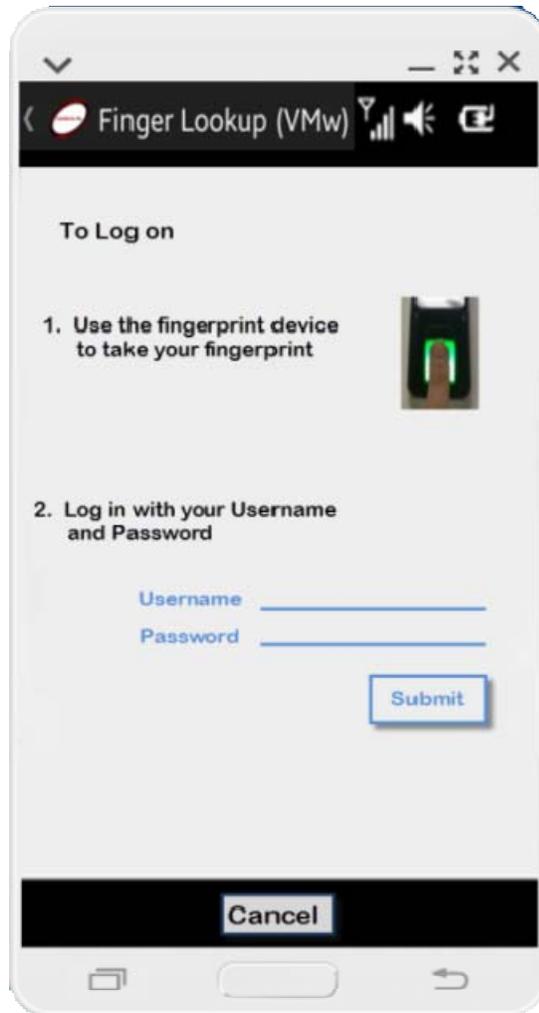
Idle timeout of the application is configured in the administrative module.

- 1) User will enter the passcode to unlock the Android phone.
- 2) User will double click on the Fingerprint Lookup Application (FP Lookup).



- 3) The login screen will be displayed.
- 4) Assuming the user has already been enrolled in two-factor authentication, the user will use the Verifier to take their own fingerprint (either left or right index finger, or both), to complete the first step of the two-factor authentication. User will then login by inputting their username and password in the

spaces provided, to complete the second step of the two factor authentication. The user will then click **Submit** to login or press **Cancel** to exit.



5) Once the login is successful, the following confirmation will appear on the Verifier:



The following sections will walk users through the application and how to capture and submit prints for identification against the Michigan and FBI RISC fingerprint databases.

CAPTURE FINGERPRINTS

Select **Capture** located at the bottom of the History Screen to create a new fingerprint search transaction. Fingerprint search transactions created on the Verifier will be submitted to the Michigan AFIS and FBI RISC databases. The results of the fingerprint search will be returned to the Android phone and displayed on the History Screen. See the History Screen section for more information.

ASSOCIATION SCREEN

After the user has selected the Capture button, the Association screen will display and allow the user the option to enter the name given by the subject, a description of the subject to be fingerprinted for identification, or capture a photo of the subject. This information would be collected to be used as comparison data. The user is not required to enter information on this screen, but would help the user identify the fingerprint search transaction if multiple searches are submitted at near the same time.



Name – enter the name given by the subject. Limited to 30 characters.

Description - enter a description of the subject (i.e. male with black hair, red shirt). Limited to 30 characters.

Capture Photo - check the box next to Capture Photo to enable the capture photo screen in the application, as well as to activate the camera on the Android phone. To take the photo, press the camera icon on the phone, and the photo will be captured. The image captured will be displayed for review. Click **OK** to accept the photo or click **Capture** to retake it.

OK - select OK to accept the information entered to proceed to the fingerprint capture screen. If no information is entered, the user may select OK to proceed to the fingerprint capture screen.

Cancel – select Cancel to return to the History Screen.

Once the association data is entered, and the Verifier is powered on, the main capture screen located on the Verifier will default to the left hand, of which the user will capture the index and middle

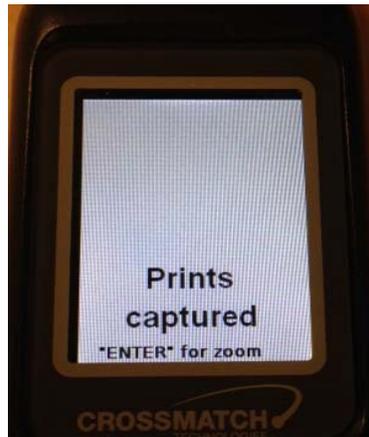


finger of the subject. The left thumb may be used, if needed. The user will not have the option to choose the left ring or pinky fingers, as they are not searchable fingers.



The user will have the ability to choose the right hand, if needed and to select the thumb, index, or middle fingers to scan.

Once prints are captured the following image will display on the Verifier:



HISTORY SCREEN

Once prints are captured and the fingerprint search transaction is created, the prints will automatically send to the Michigan AFIS and FBI RISC fingerprint databases for searching and identification. The **status and response type** of each transaction submitted will be displayed under the Michigan and FBI RISC columns in the History Screen, as shown in the image to the right, and noted below:

- **Sending/Sent:** The fingerprints are being submitted or have been submitted to the Michigan and FBI RISC fingerprint databases.
- **Searching:** The fingerprints have been submitted, and a search for matching fingerprints is being performed.
- **Hit:** Fingerprints in the database have matched the submitted prints. The row will be highlighted in red until the record has been viewed, then it will turn white.
- **No Hit:** No fingerprints in the database matched the submitted prints. The row will be highlighted in green until the record has been viewed, then it will turn white.
- **Possible Hit:** It is Possible fingerprints in the database have matched the submitted prints. The row will be highlighted in yellow until the record has been viewed, then it will turn white.
- **Transaction Number:** Located next to the icon, the transaction number indicates the order the prints were taken, newest to oldest.



- **Error:** This status will be displayed if there was an error when submitting the transaction. You can click on the record to view the error. The error from the server will be displayed. For instance, this error message may display that the server timed out. It will then give the option to resend the transaction to the server. If no error message is displayed, the user should contact DW at: (866) 632-2780 and select option '3' for Support.

Additional Columns

Additional columns located in the History screen are:

- **Icons:** Each result will also be identified by an icon displayed to the left side of the transactions. For more information on icons, see below.
- **Name:** If both Michigan and FBI databases return a name, the name displayed will default to the Michigan name. If there is no Michigan name, but there is an FBI name, the FBI name will be displayed.
- **SID:** The Michigan SID number will be displayed.
- **FBI#/UCN:** The FBI#/UCN will be displayed.
- **Date and Time Printed:** The date and time the fingerprints were sent for a search.

ICONS



A green check mark means that No Hit has occurred against either the Michigan AFIS or the FBI RISC databases.



A red exclamation mark means that a positive Hit was found in either the Michigan AFIS or the FBI RISC databases.



A yellow question mark means that a possible match was found in either the Michigan AFIS or the FBI RISC databases, but the fingerprints submitted were not a direct enough match to be ruled as a positive Hit. Recommend fingerprinting subject again with a different searchable finger.

The icons listed follow the most critical response out of the two searched databases. (i.e., No Hit, and Hit – icon would be a Hit )

The buttons located at the bottom of the History Screen are:

Menu provides several options:

- **Two Finger Search:** This option is permanently enabled for the FP Lookup Application. A user must always capture at least two fingerprints; therefore this option is grayed over, and is not able to be selected.
- **Delete Record:** This option will delete the record selected in the History Screen. To select a record, touch the record to highlight it. The selected record will be highlighted in blue. Next, click **Menu** and then select **Delete Record**. The record will then be removed from the History Screen.
- **Display Error Message(s):** This option will show the user an explanation of the problem encountered for any transaction that has an "Error" status.
- **Resubmit Record:** This option allows the user to resubmit captured fingerprints for another attempt at identification in the Michigan AFIS or FBI RISC databases. This allows users the possibility of successfully completing transactions with an Error status without having to re-capture any fingerprint images.
- **Settings:** The settings menu will provide options for the user to change font styles or sizes.
- **Change Password:** This allows the user to change the password used to login to the Fingerprint Lookup Application in the login screen.



Exit will close the application.

VIEWING SEARCH RESULTS IN HISTORY SCREEN

To view a transaction, the user will simply touch the row they wish to view. Any data and images retrieved from the Michigan AFIS or FBI RISC databases will be displayed in this view. Multiple tabs may be available for each result. To navigate between the tabs, simply select the tab name at the bottom of

the screen. The tabs include **Michigan**, **FBI RISC**, and **History**. If a comparison photo was taken, the photo will display on the top left hand side of the screen under the Association Photo heading. If the response returned a Hit, and there is a mug shot photo available, it will display under the Mug Shot heading. The user may select either photo image to enlarge the photo. If a name/description was provided by the subject and was entered into the association screen, it will display under the actual name of the subject. If the History tab is selected, the user will be taken back to the History Screen.

MICHIGAN RESPONSE

A Michigan response may return up to six candidates. A Hit response will include the following information:

- * Mugshot (if there is one)
- * Transaction Control Number (TCN)
- * Last name, first name
- * Sex
- * Race
- * DOB
- * SID
- * Score
- * Date Printed
- * Time Printed
- * Response Time
- * Response Type

No Hit Response



Hit Response

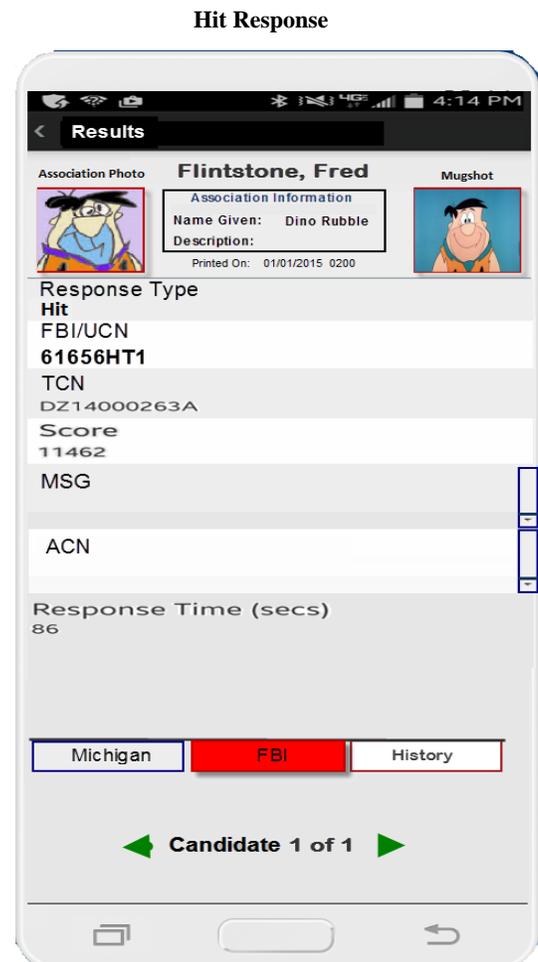


FBI RESPONSE

An FBI RISC response may return up to two candidates. A Hit response will include the following information:

- Mugshot (if there is one)
- Transaction Control Number (TCN)
- Last name, first name
- FBI/UCN Number
- Score
- ACN
- MSG
- Date printed
- Time printed
- Response Time
- Response Type

The MSG NIST Field Number 2.060 as Status/Error Message – the RPISR (from FBI) is Optional, but the ERRT (from FBI) is Mandatory. Maximum character length is 300 characters. The entire MSG should be put in the Out Directory without sending back blank characters. If provided by the FBI, it must be displayed in the response. The ACN NIST Field Number 2.071 is 300 characters and is Optional in the RPISR (from FBI). If provided by the FBI, the entire field must be displayed, do not show extra ending blanks.



FBI RISC

Searches for FBI's RISC (Repository for Individuals of Special Concern) will only consist of fingerprint images for wanted persons, known or suspected terrorists, sex offender registry subjects, and immigration violators. The FBI criminal master file is not searched. The submissions are searched in a "lights out" fashion, without human intervention. Responses will have up to two candidates. RISC results are shown in the RISC column of the History Screen.

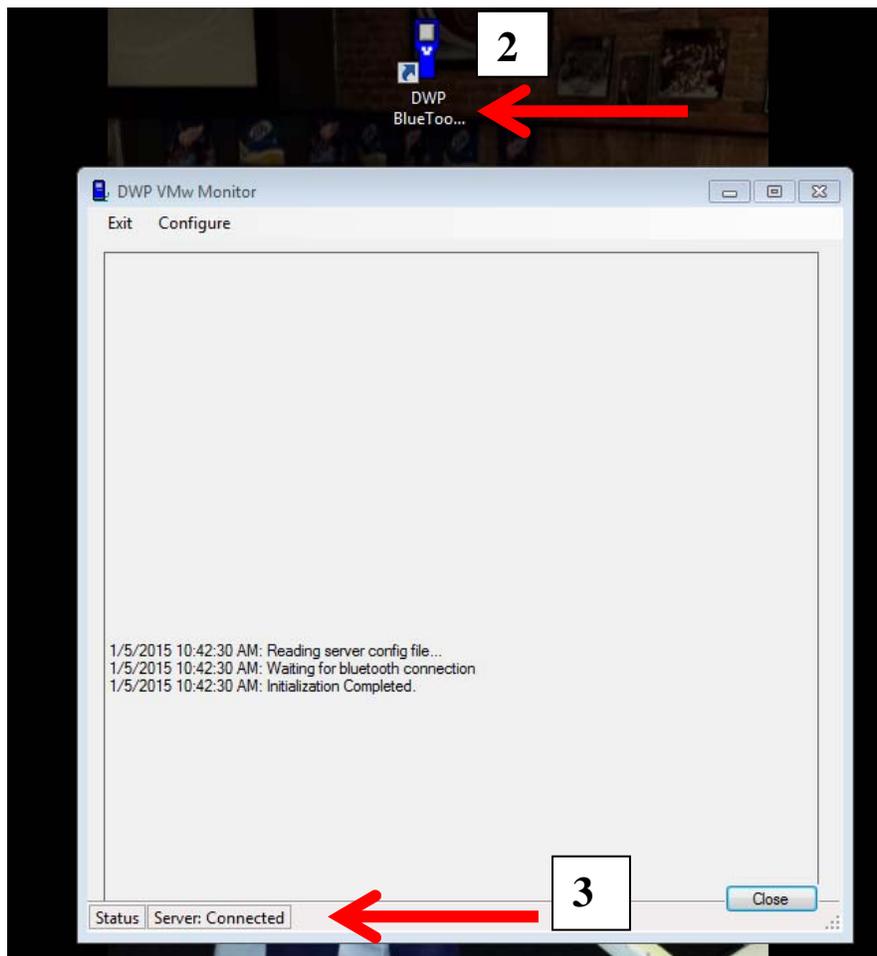
Each potential candidate will be contained in a separate type 2 record. Multiple type 10 records may also be included – one for each candidate (if available) and if the RPIS contains an RPR (2.096) = “Y”. Please note that a transaction can have a Hit from the state without having an FBI RISC Hit and vice versa. The FBI RISC database uses different fingerprint quality standards than the Michigan AFIS database.

Verifier/MDC Solution

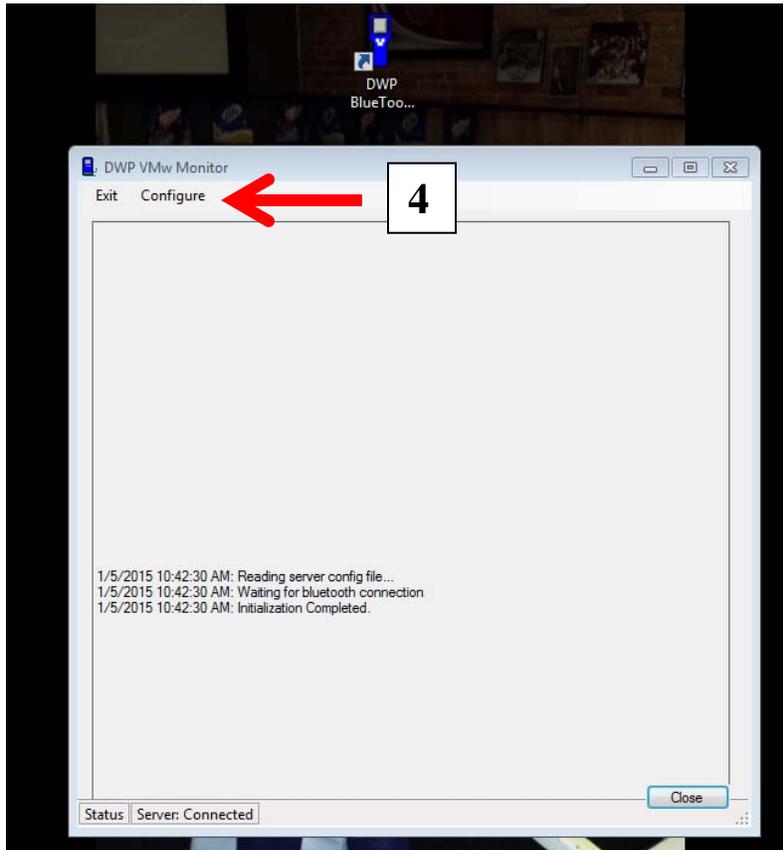
The Verifier will run the RapidID Firmware version R4.4.10 02/07/14, or a Firmware created by Dataworks tailored for MSP use to include the option of the scanner defaulting to the left hand for fingerprint capture.

Idle timeout of the application is configured in the administrative module.

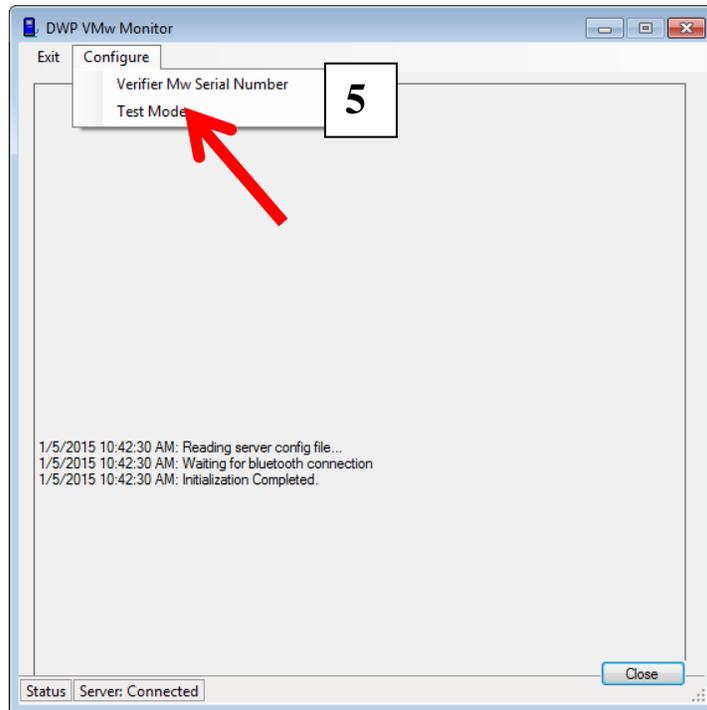
- 1) User will power on the Verifier.
- 2) On the desktop, the user will double click on the DWP VMw Monitor Icon.
- 3) The user will ensure the Verifier is connected to the MDC via Bluetooth.



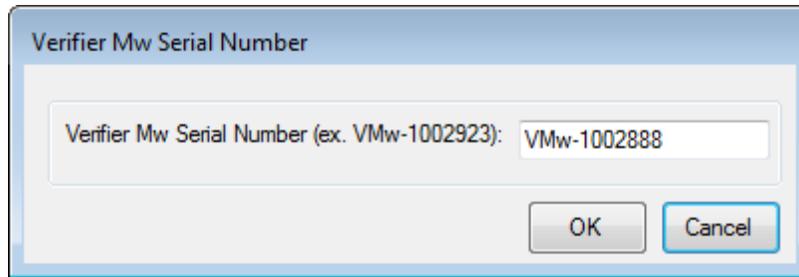
- 4) To ensure the correct Verifier is configured, the user will next click on **Configure** at the top of the VMw Monitor screen.



5) User will click on "Verifier Mw Serial Number".



- 6) User will enter the serial number of the Verifier being used and click OK.



- 7) The user will then minimize the VMw Monitor screen.

Once a scanner has been paired to an MDC, auto re-pairing will occur for future searches and use by the same scanner.

- 8) The user will go to the **Capture** screen of the Verifier, which will default to the left hand. The user will capture the index and middle fingers of the subject. The left thumb may be used, if needed. The user will not have the ability to choose the left ring or pinky fingers, as they are not searchable fingers.



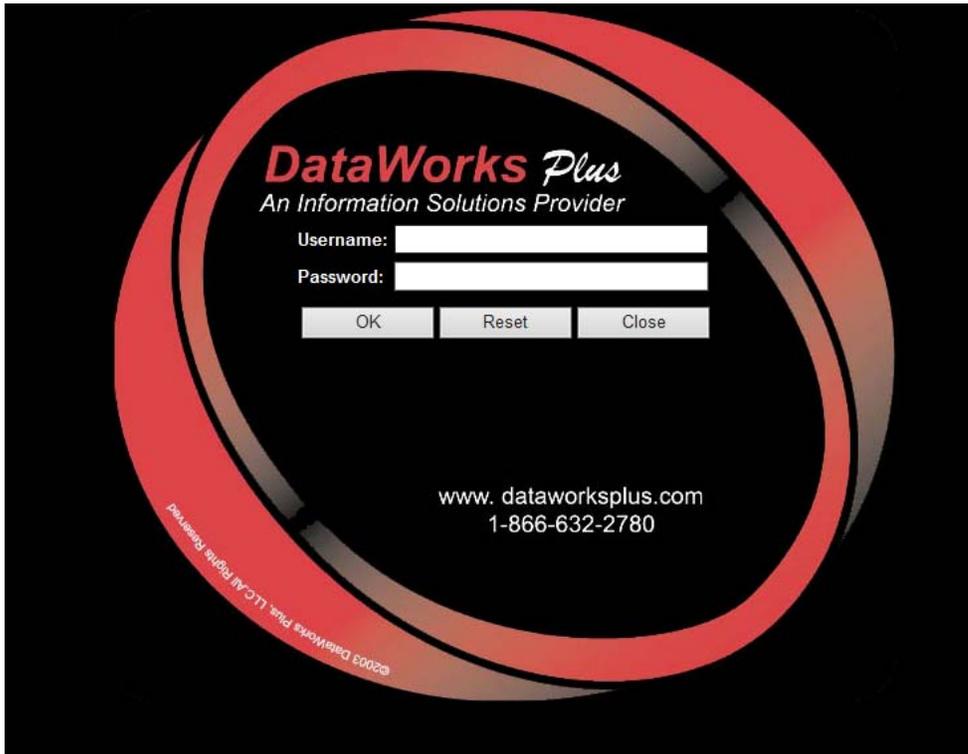
The user will have the ability to choose the right hand, if needed and to select the thumb, index, or middle fingers to scan.

After the fingers are captured, and the user is awaiting the results, the user shall:

- 1) Double click the DW Mobile ID Administrative Module desktop icon.

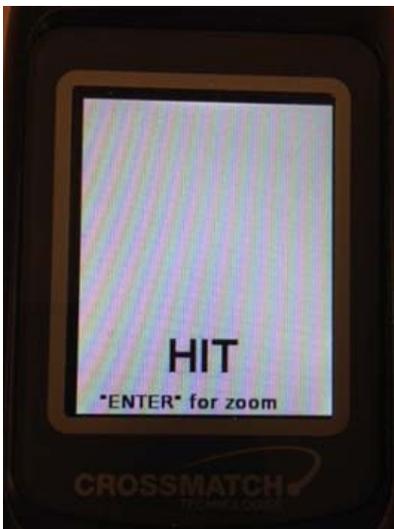


Login to the DataWorks Plus Administrative Module, Activity Tab to await results from the fingerprint search.



Once a response is received, the Verifier will display a Hit, No Hit, or Possible Hit message. If a Hit is obtained from *either* the Michigan AFIS or FBI RISC database, the word **Hit** will return to the scanner.

See below example of a Hit response:



While awaiting the fingerprint search responses on the Activity Page, the user may click **Refresh** for a manual refresh, or await an auto refresh displayed every ten seconds.

MSP Response

Figure 1: Hit

The user may click on **Rap Sheet** to retrieve the criminal history rap sheet associated with the SID for the subject the search hit upon.

Refresh Button

Scroll through multiple mug shots

TIME	DATE	SAVE	MSP	FBI
12:53:01	02/28	✓	⚠	⚠
12:50:54	02/28	✓	✓	✓
12:45:03	02/28	✓	✓	✓
12:30:23	02/28	✓	⚠	⚠
11:58:05	02/28	✓	⚠	⚠
10:25:45	02/28	✓	✓	✓

Response Type: Hit
 SID: 123456
 Name: JOHN DOE
 Sex: M
 DOB: 02/28/1965
 Race: W
 Response Time: 45 secs
 Score: 18222
 TCN: DZ11155814T

Search Result Comments
 C/MH/A/J DOE 022865 RE 12500VC. CIT SD123456. TAG 123.

SAVE Field Interview Arrested Other

Figure 1 represents an MSP Hit; one candidate with 4 mug shot photos.

Figure 2: Possible Hit

Scroll through multiple mug shot photos per candidate

Scroll through Possible candidates

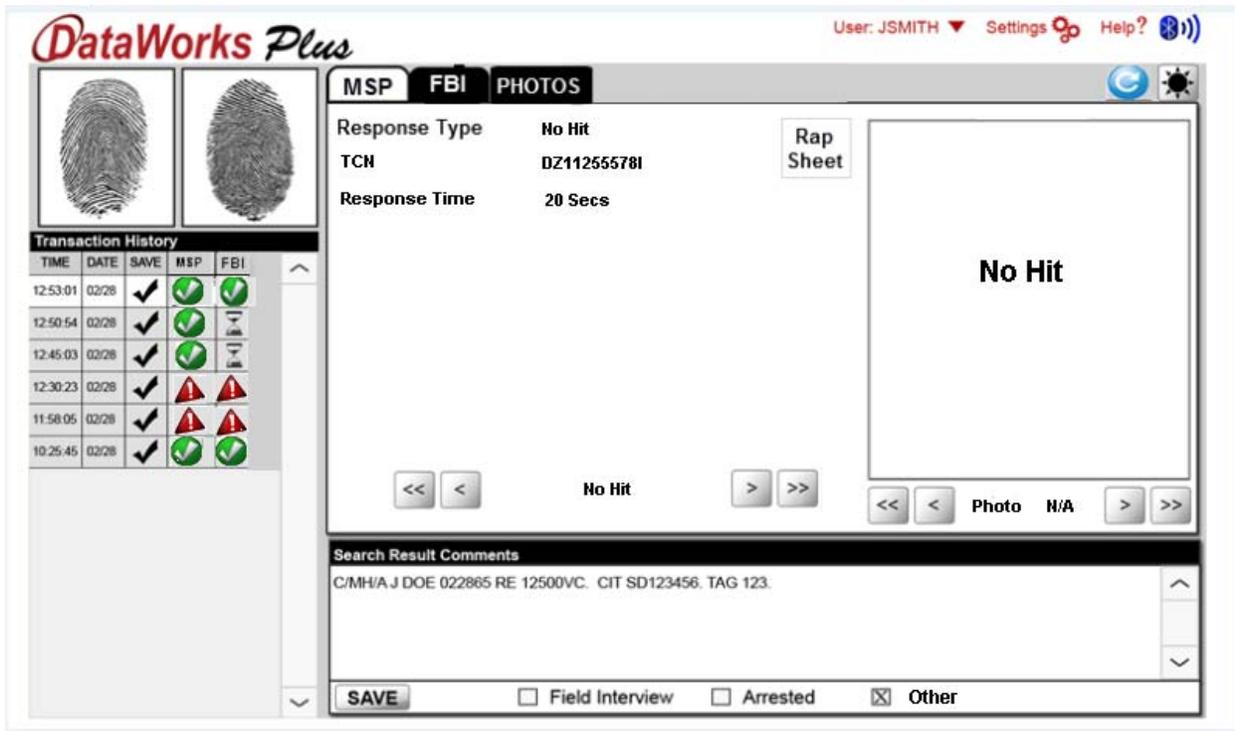
TIME	DATE	SAVE	MSP	FBI
12:53:01	02/28	✓	⚠	⚠
12:50:54	02/28	✓	✓	✓
12:45:03	02/28	✓	✓	✓
12:30:23	02/28	✓	⚠	⚠
11:58:05	02/28	✓	⚠	⚠
10:25:45	02/28	✓	✓	✓

Response Type: Possible
 SID: 123456
 Name: JOHN DOE
 Sex: M
 DOB: 02/28/1965
 Race: W
 Response Time: 45 secs
 Score: 1155
 TCN: DZ11155814T

Search Result Comments
 C/MH/A/J DOE 022865 RE 12500VC. CIT SD123456. TAG 123.

SAVE Field Interview Arrested Other

Figure 3: No Hit



FBI Response

Figure 1: Hit

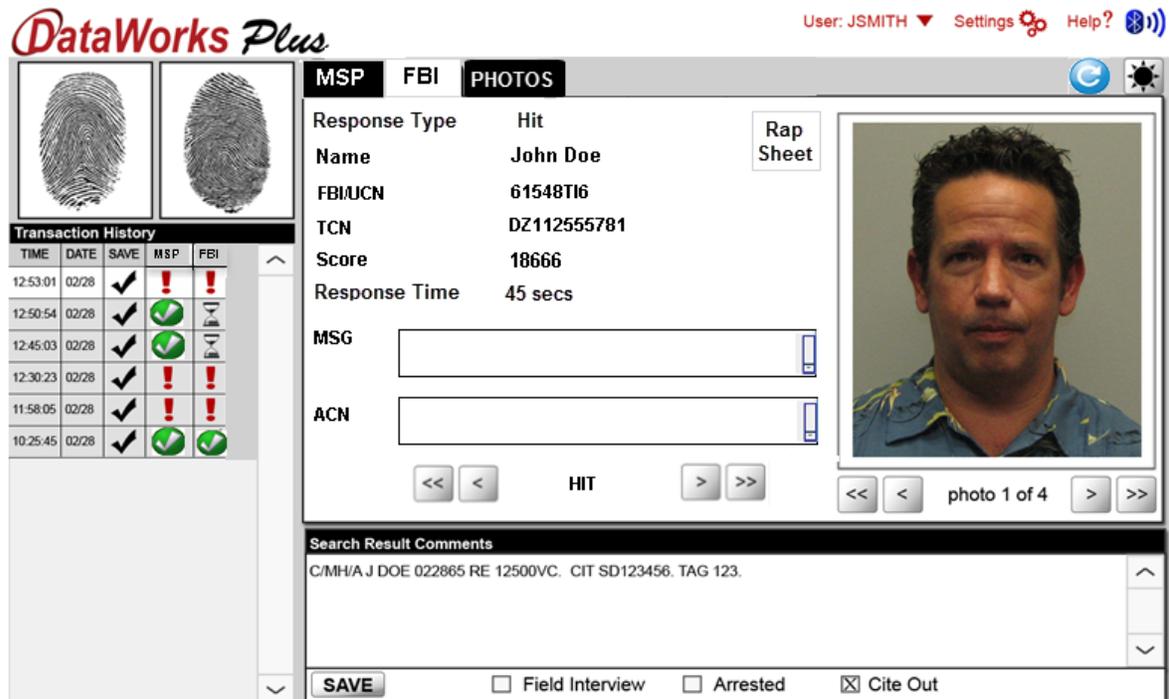


Figure 1 represents an FBI Hit with four mug shots.

Figure 2: Possible Hit



Figure 2 represents an FBI response with 3 Possible candidates with 4 mug shot photos for the first candidate.

Figure 3: No Hit

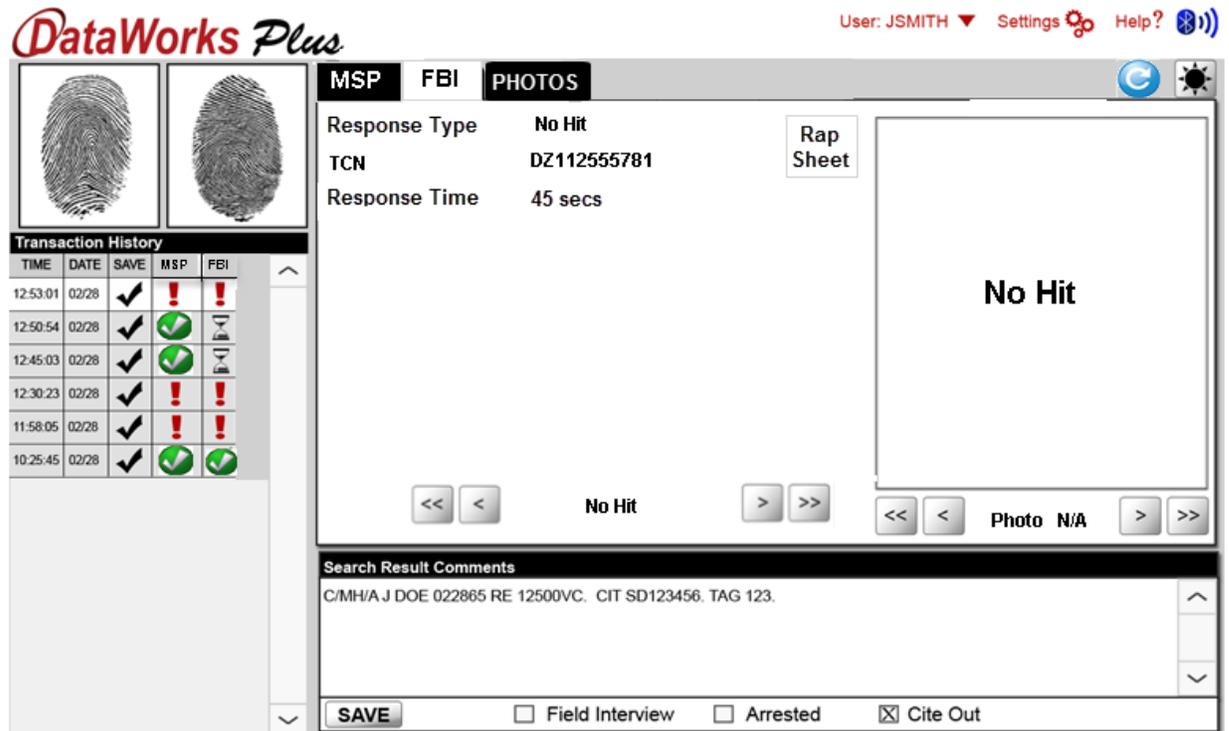


Figure 3 represents an FBI No Hit response.

Figure 4: Rap Sheet

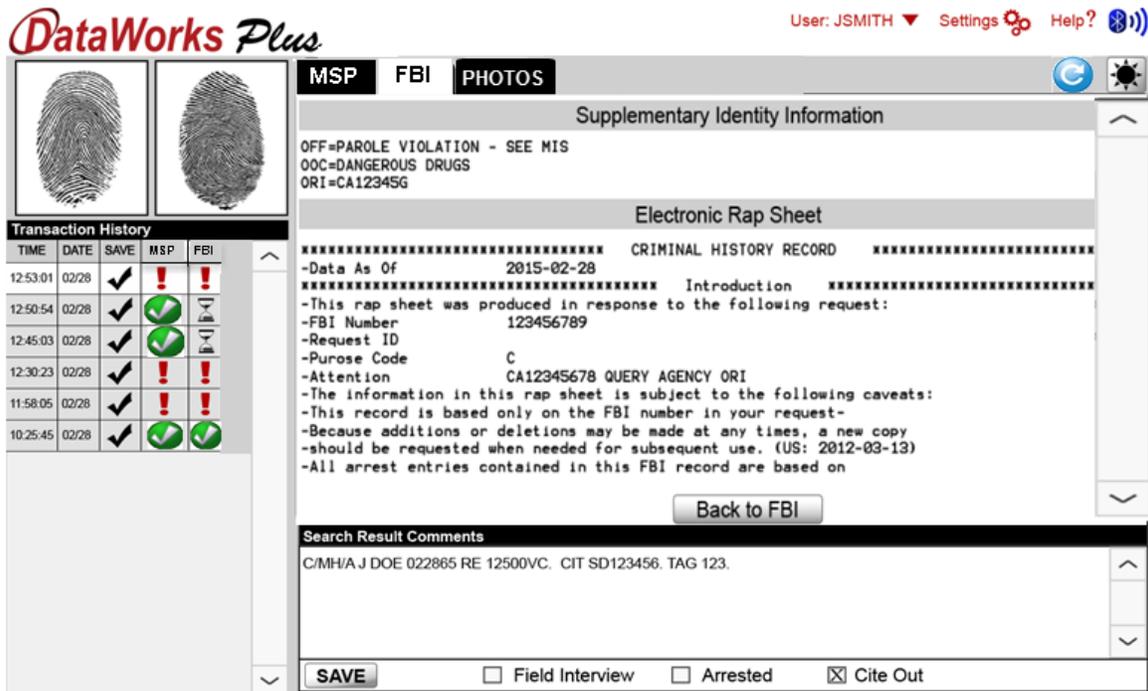


Figure 4 represents the Rap Sheet that will display after the user clicks on Rap Sheet on either the MSP or FBI tab.

Figure 5: Photos Tab

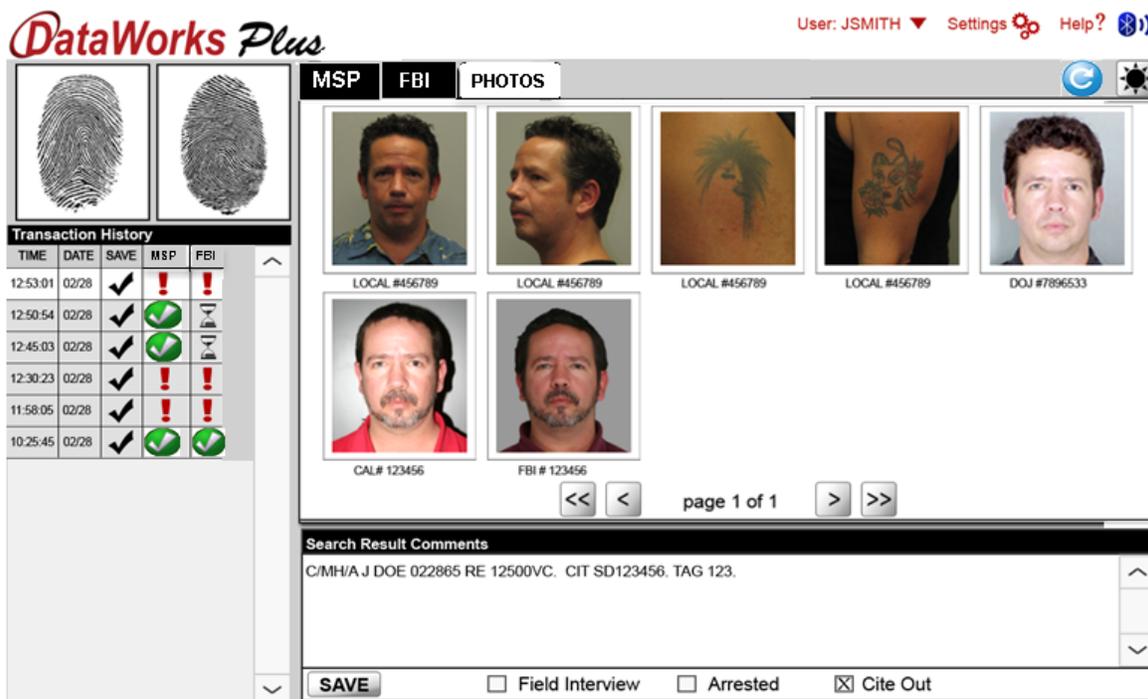


Figure 5 represents the Photos Tab which contains all MSP and FBI photos associated with the subject; including, but not limited to: mug shots, scars, marks, tattoos, driver's license, and identification photos.

For each Figure shown above for this section, the user has the ability to enter comments in the **Search Results Comments** box, as well as check a box as to the reason the Mobile ID search was performed. The user will then click **Save**, at which time the transaction will save under the **Transaction History** portion of the screen. The most recent Mobile ID transaction will be on top. Next to the **Save** column in the Transaction History screen, there will also be an MSP and FBI column showing status of the transaction by presenting status icons as follows:



A green check mark means that No Hit has occurred against either the Michigan AFIS or the FBI RISC databases.



A red exclamation mark means that a positive Hit was found in either the Michigan AFIS or the FBI RISC databases.



A yellow question mark means that a possible match was found in either the Michigan AFIS or the FBI RISC databases, but the fingerprints submitted were not a direct enough match to be ruled as a positive Hit. Recommend fingerprinting subject again with a different searchable finger.



An hour glass icon means the application is processing the fingerprint search.

4.3 Acceptance Criteria

Verifier/Android Solution

- Two factor authentication upon login.
- Enrollment of fingerprints of users.
- Encrypt Criminal Justice Information on the scanner according to FIPS 140-2 standards.
- Auto-delete transactions off History Screen on Android device after a configurable number of days.
- Automatic deletion of fingerprints off of the scanner as they are successfully sent for a search.
- Automatic log out of application after a configurable number of minutes of inactivity.
- Have capability to take photo.
- If there is a Hit, only return Hit responses.
- Fingerprint Lookup Application will work on Android system running 4.2.2., or higher.
- Orientations of view on Android must be both landscape and portrait.
- Response times should not exceed five minutes.
- Password requirements:
 - User will be prompted to change the temporary password upon initial login of the application.
 - User will be prompted to change password beginning up to ten days prior to the password expiration. User will receive message only once per day for each scanner until password is changed.
- Verifier will default to Left Hand for the user to then select index and middle fingers for capture, but also have the option to scan the thumb as well. There will be no option for the user to scan either the ring or pinky fingers. The user will have the ability to scan the right index, middle and thumb, if needed.
- The History Screen rows shall be defined at 8 to 10 millimeters in height for ease of selecting each transaction row.
- The only time the word Hit should be used is if the fingerprints searched are at or above the threshold set to determine there is as a match/Hit of the subject.
- The Association Screen name and description fields will be limited to 30 characters.
- The Activity Web page will allow pre-defined viewing/editing settings for each user.
- A Michigan Response will include up to six candidates, and include the following:
 - Mugshot (if there is one)
 - Transaction Control Number (TCN)
 - Last name, first name
 - Sex
 - Race
 - DOB
 - SID
 - Score
 - Date Printed
 - Time Printed
 - Response Time
 - Response Type
- An FBI Response will include up to two candidates, and include the following:
 - Mugshot (if there one)
 - Transaction Control Number (TCN)

- Last name, first name
- FBI/UCN Number
- Score
- ACN
- MSG
- Date printed
- Time printed
- Response time
- Response type
- MSP reserves the right to expand this list.

Verifier/MDC Solution

- Fingerprint Lookup Application for Windows 7 for use in a car based MDC.
- Encrypt Criminal Justice Information on the scanner according to FIPS 140-2 standards.
- Auto-delete transactions off activity Web page after a configurable number of days.
- Automatic log out of application after a configurable number of minutes of inactivity.
- If there is a Hit, only return the Hit.
- Automatic deletion of fingerprints off of the scanner as they are successfully sent for a search.
- Response times from search should not exceed five minutes.
- User must be prompted to change the temporary password on initial login to Web page.
- Automatic refresh of ten seconds or choice of manual refresh of the Activity Web page search results after a Hit, No Hit, or Possible Hit is determined.
- Auto detect of scanner previously paired so repairing isn't necessary.
- Search responses to Activity Web page and to the scanner should have same response type.
- Verifier will default to Left Hand for the user to then select index and middle fingers for capture, but also have the option to scan the thumb as well. There will be no option for the user to scan either the ring or pinky fingers. The user will have the ability to scan the right index, middle or thumb, if needed.
- Allow the option of user to enter name given and/or description of subject (comparison data).
- The only time the word Hit should be used is if the fingerprints searched are at or above the threshold set to determine there is as a match/Hit of the subject.
- The Activity Web page will allow pre-defined viewing/editing settings for each user.
- A Michigan Response may include up to six candidates, and include the following:
 - Mugshot (if there is one)
 - Transaction Control Number (TCN)
 - Last name, first name
 - Sex
 - Race
 - DOB
 - SID
 - Score
 - Date Printed
 - Time Printed
 - Response Time
 - Response Type
- An FBI Response may include up to two candidates, and include the following:
 - Mugshot (if there one)
 - Transaction Control Number (TCN)
 - Last name, first name
 - FBI/UCN Number
 - Score
 - ACN
 - MSG
 - Date printed
 - Time printed
 - Response time
 - Response Type
- Return all photos to the MDC application Photos tab to include all MSP and FBI mug shots, scars, marks, tattoos, driver's license, and identification photos.
- Return both MSP and FBI Rap Sheet.

- Once a response is received, the Verifier will display a Hit, No Hit, or Possible Hit message. If a Hit is obtained from *either* the Michigan AFIS or FBI RISC database, the word **Hit** will return to the scanner.
- MSP reserves the right to expand this list.

5. SECURITY AUTHENTICATION AND AUTHORIZATION

5.1 CJIS Security

Information returned from any fingerprint search is considered Criminal Justice Information (CJI) per the FBI CJIS Security Policy version 5.3. For this reason the systems must conform to said CJIS Security Policy to include encryption at rest and in transit, comply with firewall rules, and be FIPS 140-2 certified.

Verifier/Android

The Android is not a secure location, and therefore must meet the requirements for advanced authentication. Two-factor authentication will be adhered to, and will work as follows:

- User will login to the phone
- User will open the Fingerprint Lookup Application and enter their username and password.
- The user will then submit their left or right index fingerprint for login to the Verifier.
- The username and password, and fingerprint image are sent in for authentication.

Mobile Device Management (MDM) software must exist on each Android device.

Mobile ID Application CJIS Password Requirements

The Fingerprint Lookup Application software is developed by DataWorks Plus, and will reside on the Android phone or MDC. To comply with CJIS Security Requirements, the passwords shall:

- Be a minimum length of eight (8) characters on all systems.
- Not be a dictionary word or proper name.
- Not be the same as the User ID.
- Expire with a maximum of 90 calendar days.
- Not be identical to the previous ten (10) passwords.
- Not be transmitted in the clear outside the secure location.
- Not be displayed when entered.
- User will be prompted to change password upon initial login.

APPENDIX I

Michigan State Police **Mobile ID Submission to MSP and FBI Repository for Individuals of Special Concern (RISC)**

1. Overview

Mobile ID is a service that provides identification services for submissions from a mobile fingerprint acquisition device. The Michigan State Police Automated Fingerprint Identification System (AFIS) accepts Mobile ID transaction in NIST format with two fingers, searches, and responds with identification results for the fingerprint images submitted. The Michigan AFIS will also be able to forward the transaction to the FBI RISC system.

The Landing Server (previously NATMS) receives and processes remote inquiries (TOT: *TPIS*) submitted by the mobile input device via the local server (Mobile ID server). The search results for a TPIS transaction are sent to an interface which combines Hit/No-Hit/Indeterminate results with the mug shot images to the “out” directory located on the MSP Landing Server. In order to receive the search results, the local Mobile ID server will monitor the Landing Server’s “out” directory for responses (Hit/No-Hit/Indeterminate results) and will forward them to the respective submitting mobile device.

The Mobile ID transaction can be sent (forwarded from the Michigan AFIS) to FBI RISC database and searched there. A second response would then be received for this search. There is no required order to the responses, so the Michigan response could be first or second. The local Mobile ID server and the mobile device need to be able to handle any order.

The local Mobile ID server will interact with the MSP AFIS just like the Michigan live scan interface. A directory will be defined by MSP for the local Mobile ID server and the responses will be found in the ‘out’ directory for that directory. All the paths will be the same as for a live scan submission. This information is found in the System Interface document. Checking for the SUBMIT file and placement of the signal file will be the same as for a live scan submission.

Each transaction must have a unique Transaction Control Number (TCN). The first two positions (LSID) of the TCN are assigned by MSP. There will be only one LSID assigned to a Mobile ID server site. Existing Mobile ID servers are generating the TCNs for the Mobile ID devices.

Example of directory structure where “LZ” is the directory for an agency’s mobile ID submissions;

```
/home/natms/tc/lmdir/ls-mm/grp1/LZ
```

Signal files will be placed in;

```
/home/natms/tc/lmdir/ls-mm/sigfiles
```

The local Mobile ID server will be responsible to ‘put’ and ‘get’ any file and delete files after they are retrieved. The MSP server will not do routine house-keeping on the directory. All files including the acknowledgement message, response message and any photo file(s) are the responsibility for the local Mobile ID server.

2. Authentication and User Administration

2.1 Authentication

The Federal Bureau of Investigation (FBI) Criminal Justice Information Systems (CJIS) Security Policy must be followed for this process. Currently Advanced Authentication is required in some situations. The local agency is responsible for this requirement.

2.2 Password

The application used to collect fingerprints must have a User ID and password. This is in addition to any password associated with locking the phone (or if in the future a PC or laptop).

Password requirements:

1. Be a minimum length of eight (8) characters on all systems.
2. Not be a dictionary word or proper name.
3. Not be the same as the User ID.
4. Expire within a maximum of 90 calendar days.
5. Not be identical to the previous ten (10) passwords.
6. Not be transmitted in the clear outside the secure location.
7. Not be displayed when entered.

2.3 User Authorization Table

The local Mobile ID server must maintain a user authentication/administration facility to implement the mobile application login and submission of data.

FUNCTION	DESCRIPTION
USER PROFILE	
User ID	Log on ID
User Name	First Name and Last Name
Agency	Specify the agency the user belongs to. This will also map the user to the correct submitting ORI for TPIS generation
ORI	Specify the ORI associated with the agency. The base ORI for the agency is fine or if there are ORIs associated with a unit or group.
Password List	Not displayed and saved encrypted, a list of the last 10 passwords used
USER MAINTENANCE (USER ACCOUNTS AND PRIVILEGES)	
View the User Policy	Functions and Groups per User
Create a new user account.	
Assign the new user to groups.	
Modify a user	Modify user profile
Reset a user's password.	Reset to a system default. Verify the user must change their password upon next logon.
Password Rules	Passwords must adhere to the FBI password rules listed below.
Assign additional, individual functions to a user.	
Create a group.	
Add/Remove Functions to/from a Group.	

2.4 Auto-Populate from the Authentication Table for each transaction

Some of the data in the authentication/administration tables must be used to pre-populate fields in each transaction without input from the user. For example when a user logs into the application, the user name will populate the 2.210 NIST field and the user ID will populate the 2.211 field. Below is a mapping of which authentication fields populate various NIST fields.

NIST FIELD	AUTHENTICATION TABLE	NOTES
1.08 (ORI)	ORI for agency submitting prints.	ORI of the device actually submitting to MSP, (Mobile ID server agency).
2.006 (ATN)	User name	This is a required field for sending to the FBI RISC.
2.073 (CRI)	ORI	This is a required field for sending to the FBI. Agency name will be derived from this.
2.210 (ITB)	User name or just last name.	This is a Michigan NIST field.
2.211 (LSI)	User ID	Between the ITB and the LSI a determination of who rolled the prints is possible. Used later in audits etc.

2.5 Auto-Populate from the devices

In addition to these fields being auto-populated from the authentication table, three other fields are auto-populated. The source for these is the devices used in the particular transaction.

NIST FIELD	SOURCE	NOTES
2.067 (IMA)	The fingerprint scanner serial number, make and model.	This is the same as for live scan.
2.230 (MDEV)	The phone number of the phone or device used to send.	This is to pinpoint the phone being used. If in the future a PC is used this should be a way to positively identify that device.
2.231 (MEMAIL)	The email assigned to the mobile device. The destination for the response.	If in the future the destination is a PC or a queue of some sort, this is a way to positively identify where the response will go.

2.6 Option for Vendor to Control Sending to FBI (or others in future)

There may be times when MSP would not have a need to send a transaction to the FBI.

Rapid ID vs Mobile ID

The term "Mobile ID" will be used to describe the process of collecting fingerprints in a true mobile environment. For example a fingerprint scanner that connects via Bluetooth to a phone or MDC. The term "Rapid ID" will describe an environment that is more of an office location such as a parole office or jail environment and the fingerprint scanner might be tethered via a USB cable instead of a Bluetooth connection. The data, processing and responses are all handled exactly the same. The primary difference is the ability/need to search the RISC database. An example of using Rapid ID is when a jail/prison releases someone. There is not a need to search RISC for this. The need to submit any biometric is only to make positive identification of the person being released.

The Name of Designated Repository field (NDR NIST field 2.098) can be used to control whether the transaction will search the RISC database; however, this will be in conjunction with MSP setup files. This is not to be controlled by the user. This field should not be shown to the user. NDR is a multi-segmented field. Currently (3/2015), the only valid value for RISC is "6". The value "999" will have special meaning to the Michigan AFIS in that the transaction will only search Michigan AFIS.

Configuration

There is a configuration file on the AFIS server used to control whether a live scan ID (LSID) is allowed to be sent to RISC. If the LSID "LZ" is not in this file, no transaction received by MSP from "LZ" will ever be sent to RISC regardless of the value in the NDR field (2.098).

These are the rules for sending/not-sending to RISC:

- 1) If the 2.098 is submitted with "6" (send to RISC) and LSID is in the configuration file then send to RISC.
- 2) If the 2.098 is submitted with "999" (don't send to RISC/Michigan only) and LSID is in the configuration file then don't send to RISC.
- 3) If the 2.098 is submitted with "6" and LSID is not in the in the configuration file don't send to RISC.
- 4) If the field 2.098 doesn't exist in the transaction follow the configuration file.
- 5) If 2.098 is "999" and "6" don't send to RISC. NRD is a multi-segment field.
- 6) If there is the value "999" anywhere it will be considered a Michigan Only search.

3. Data Requirements to send a Ten-print Fingerprint Image Searches (TPIS) to MSP AFIS

3.1 Data to MSP

The required fields to send a TPIS transaction to MSP AFIS are minimal. From the user's point of view it only requires user sign on and the collection of two fingers. The mobile application will gather the type 1, type 2, and type 4 NIST fields and package it for transmission.

See the spreadsheet MichMobile_Nist_20130221.xls for mandatory fields and specifications.

After processing the TPIS at the MSP AFIS, MSP will forward the fingerprints to the FBI. MSP will make the appropriate changes to any NIST field to comply with the Rapid Fingerprint Identification Search (RPIS) submission to the FBI.

Each submission from the mobile device will get back one or more responses. Currently the responses will be one from MSP and one from FBI/RISC, however, in the future there may be other messages returned from other data sources. The mobile application should be able to handle all the responses and present them to the user in an orderly way.

3.2 Data from MSP

Response File Name for Michigan Results

The identification response will consist of one (1) message file and up to six (6) photo files (1 photo per candidate). The file naming for the response file will be **TCN.TPIS.901** and the photo/mug shot file names will be **TCN_SID.PHOTO.901**. Photo files will be compressed in JPEG format.

The TCN is the Transaction Control Number received in the TPIS transaction that is sent to AFIS from the Mobile ID server. The *SID* portion of the photo file name is the State Identification Number associated with the Hit or UTD candidate returned from AFIS. There will never be a photo file associated with a No-Hit transaction; however, there will be an identification response file (TCN.TPIS.901) containing the No-Hit information that will be returned to the ID server.

A sample response file, TCN.TPIS, and its associated TCN_SID.PHOTO files are listed below.

Sample 1: A TPIS transaction containing TCN MZ13000185K is submitted to the MSP AFIS. The below search result has two (2) Hit candidates.

Response file: MZ13000185K.TPIS.901

Candidate 1 photo file: MZ13000185K_2539582T.PHOTO.901

Candidate 2 photo file: MZ13000185K_1513883A.PHOTO.901

Each response file can contain from 1 to 6 instances of the above message format. For example, if a response file contains five (5) candidates, the contents would look similar to the following file with two associated photo files.

MZ13000185K.TPIS.901:

TCN:MZ13000185K
LSID:MZ
SID:0610956H
NAME:
DOB:UUUU1950
RACE:W
SEX:M
HITTYPE:U
SCORE:3202
PHOTO:N
SID:2539582T
NAME:Rostar, Christina Lee
DOB:04021985
RACE:W
SEX:F
HITTYPE:U
SCORE:2105
PHOTO:Y
SID:1513883A
NAME:HINES, CATHIE LEE
DOB:08221965
RACE:B
SEX:F
HITTYPE:U
SCORE:2289
PHOTO:Y
SID:2919191W
NAME:
DOB:10241952
RACE:W
SEX:F
HITTYPE:U
SCORE:2519
PHOTO:N
SID:0713066H
NAME:
DOB:UUUU1954
RACE:B
SEX:F
HITTYPE:U
SCORE:2467
PHOTO:N
___END___

Sample 2: If the search result is a No-Hit, only the TCN.TPIS response file is returned to the local Mobile ID server. No photo files will be sent.

In the case of a No-Hit, the message file will contain only one iteration of the message format. The HITTYPE value will always be N and a photo file will not be returned. The below example shows what a No-Hit message will look like.

TCN: MZ13000300A
LSID:MZ
SID:
NAME:
DOB:
RACE:

SEX :
 HITTYPE :N
 SCORE : 121
 PHOTO :N
 __END__

3.3 Response Format for Michigan Results.

For each TPIS submission sent to the MSP AFIS, the Hit/No-Hit response message will consist of one (1) response message file containing the Hit, No-Hit, or UTD (Unable to Determine) candidate information and from 0 to 6 photo (mug shot) files for the candidates listed in the response file. The response file will contain the following information for each candidate.

Response File Layout

PARAMETER NAME	DESCRIPTION	DATA LENGTH	FORMAT
TCN:	Transaction Control Number	11	Alphanumeric
LSID:	2 digit Live scan ID	2	Alphanumeric
SID:	Subject's State Identification Number	3-10	Alphanumeric
NAME:	Subject's Name	3-30	Alpha, comma, hyphen and a blank are all allowed as special characters.
DOB:	Subject's Date of Birth	8	mmddyyyy
RACE:	Subject's Race	1	Alpha
SEX:	Subject's Gender	1	Alpha
HITTYPE:	Search Result – H, N, U H = Hit, N = No-Hit, and U = Unable to Determine	1	H, N, U
SCORE:	Search Score	5	00000-99998
PHOTO:	Y (Yes) or N (No), indicating whether a mug shot was found for the subject.	1	Y or N

4 Submission to the FBI

4.1 Michigan TPIS transaction forwarded to FBI

After the fingerprint submission is received at the MSP AFIS and processed it may be forwarded to the FBI depending on the rules regarding the NDR filed (NIST 2.098). NDR will be evaluated or possibly created by MSP to determine which data sources will be searched per the relevant rules. Currently (3/2015) the value of that field will be "6" and will search all available sources at the FBI. The normal response from the FBI will be a TOT of RPISR. Error responses will be Ten-print Transaction Error (ERRT). The TOT will also be changed by MSP so it can be sent to the FBI as 'RPIS'. There will not be an electronic rap sheet returned because the NIST field 2.070 (RAP) will be absent or populated with "N" by MSP when submitting to the FBI. The Request for photo (RPR) field will be set to "Y" by MSP.

RPIS Generation

The following table describes the required RPIS data fields, and the source of data for population.

Table: RPIS Generation Logic

FIELD	DATA SOURCE
1.01	Auto created by NIST generation tools
1.02	Auto created by NIST generation tools
1.03	Auto created by NIST generation tools
TOT (1.04)	Set to RPIS by MSP
DAT (1.05)	Set to current date formatted YYYYMMDD
DAI (1.07)	Set to the FBI IAFIS RISC ORI (maintained in configuration)
ORI (1.08)	Set to MSP AFIS ORI (maintained in configuration)
TCN (1.09)	Populate from TPIS field TCN (1.09)
NSR (1.11)	Populate from TPIS field NSR (1.11)

NTR (1.12)	Populate from TPIS field NTR (1.12)
ATN (2.006)	Populate from TPIS field ATN (2.006)
IMA (2.067)	Populate from TPIS filed IMA (2.067) if available. Otherwise do not populate.
RAP (2.070)	Set to configuration value (Initial Configuration value "N")
CRI (2.073)	Populate by agency – agency collected prints for ID
RPR (2.096)	Set to "Y" by MSP
NDR (2.098)	Set to configuration value per rules.
Type 4 Records	Populate from TPIS Type 4 Records

4.2 Response from the FBI

RPISR Response Processing

When a RPISR response is received from the FBI a response file will be generated and placed on the MSP Landing Server (formerly called NATMS). It will be placed in the appropriate 'out' directory. The filename of the response file will be formatted TCN.rpis where TCN is the TCR (1.10) field from the RPISR response.

The response file will contain information in the following format:

```

TCN: LS10097L12345678
LSID: LS10097
SID:
FBINUMBER:999999999
NAME:XXXXXX,YYYYY
YOB:
RACE:
SEX:
HITTYPE:H
SCORE:
ACTION:DETAIN
MSG:
PHOTO:LS10097L12345678_1.jpg
RAP: LS10097L12345678_1.txt
SID:
FBINUMBER:888888888
NAME:YYYYYYY,XXXXXXX
YOB:
RACE:
SEX:
HITTYPE:U
SCORE:
ACTION:CONTACT FBI
MSG:
PHOTO: LS10097L12345678_2.jpg
RAP: LS10097L12345678_2.txt
__END__

```

The following table lists the formatting rules for the response file generated from a RPISR response.

Table: MID Response formatting for RPISR response

MID RESPONSE	DATA SOURCE
TCN	Populate from RPISR Field TCR (1.10)
LSID	Trim from beginning of RPISR Field TCR (1.10)
Recurring data fields 1 set for each Type 2 returned	
SID	Leave blank
FBINUMBER	Populate from RPISR field FBI (2.014) if present otherwise leave blank

MID RESPONSE	DATA SOURCE								
NAME	Populate from RPISR field NAM (2.018) if present otherwise leave blank								
YOB	Leave blank								
RACE	Leave blank								
SEX	Leave blank								
HITTYPE	Populate from RPISR field SRF (2.059) according to table <table border="1"> <thead> <tr> <th>SRF Value</th> <th>HITTYPE Value</th> </tr> </thead> <tbody> <tr> <td>R</td> <td>H</td> </tr> <tr> <td>Y</td> <td>U</td> </tr> <tr> <td>G</td> <td>N</td> </tr> </tbody> </table>	SRF Value	HITTYPE Value	R	H	Y	U	G	N
SRF Value	HITTYPE Value								
R	H								
Y	U								
G	N								
SCORE	Leave blank								
ACTION	Populate from RPISR field CAN (2.071)								
MSG	Populate from RPISR field MSG (2.060)								
PHOTO	Populate from RPISR with filename of photo saved in Local MID Server out directory if Type 10 is present. Filename will be formatted TCN_X.filetype where TCN is the TCR from the RPISR response, X is the candidate sequence number "1" for the first candidate, "2" for the second candidate, and file type is the common file extension for the image contained in the Type 10. If a Type 10 record is not present leave blank.								
RAP	Populate from RPISR with filename of rap sheet saved in Local MID Server out directory if ERS (2.075) is present. Filename will be formatted TCN_X.txt where TCN is the TCR from the RPISR response and X is the candidate sequence number "1" for the first candidate, "2" for the second candidate. If an ERS (2.075) field is not present leave blank.								
__END__	End of message								

ERRT Response Processing

When an ERRT response is received from the FBI a MID response file will be generated and placed in the Local MID Server out directory. The filename of the response file will be formatted TCN.rpis where TCN is the TCR (1.10) field from the ERRT response.

The response file will contain information in the following format:

TCN: LS10097L12345678

LSID: LS10097

SID:

FBINUMBER:

NAME:REJECT

YOB:

RACE:

SEX:

HITTYPE:E

SCORE:

ACTION:

MSG:INVALID ORI

PHOTO:

RAP:

__END__

The following table lists the formatting rules for the response file generated from an ERRT response.

[Table: MID Response formatting for ERRT response](#)

MID RESPONSE	DATA SOURCE
TCN	Populate from ERRT Field TCR (1.10)

MID RESPONSE	DATA SOURCE
LSID	Trim from beginning of ERRT Field TCR (1.10)
SID	Leave blank
FBINUMBER	Leave blank
NAME	Set value to "REJECT"
YOB	Leave blank
RACE	Leave blank
SEX	Leave blank
HITTYPE	Set value to "E"
SCORE	Leave blank
ACTION	Leave blank
MSG	Populate from RPISR field MSG (2.060)
PHOTO	Leave blank
RAP	Leave blank
__END__	End of message

External Agency Functionality

MSP will extend the ability to access to FBI RISC to local agencies that already have a mobile ID solution. It is the responsibility of the local agency to construct a properly formatted TPIS transaction for submission to the Landing Server. Once received by the Landing Server the search may be routed to the FBI RISC system and responses placed in the Local MID Server directory as described above.

**APPENDIX II
NIST TYPES 1 & 2**

**Mobile ID
MICHIGAN TYPE 2**

FIELD NUMBER	IDENTIFIER (MFC)	FIELD NAME	CONDITION for TOT (Mandatory, Optional, or Blank = not used for TOT)				CHARACTER TYPE	LENGTH		OCCURRENCE		MAX NUMBER OF BYTES INCLUDING SEPARATORS & FIELD NUMBERS	EXAMPLE OF DATA	MOBILE ID SOFTWARE AUTO POPULATE (Y/N)	SPECIAL CHARACTERS ALLOWED AND COMMENTS
			FPS (to MFR)	FPS (to FBI)	FPS (to FBI)	FPS (to FBI)		MIN	MAX	MIN	MAX				
2.001	LEN	Logical Record Length	M	M	M	M	N	2	7	1	1	14	2.001:909("a")	Y	No leading zeros
2.002	IDC	Image Designation	M	M	M	M	N	2	2	1	1	9	2.002:00("a")	Y	
2.005	ATN	Attention Indicator	M	M	M	O	ANS	3	30	0	1	37	2.005:SA J G DOE, RM 118676(GS)	Y	Any printable character, except period.
2.009	OCA	Originating Agency Case Number					ANS	1	12	0	1		2.009:Q8890312465("a")	N	Alpha-numeric and special characters (except the slash and delimiters of colon, semicolon and period) are allowed. The case number cannot be a run of "Zs", "Xs", "Ys", or "Os". In addition the following strings are not allowed: "none", "unknown", "unk", "unkn", "n/a" or "msp".
2.014	FBI	FBI#					AN	1	5	0	1	16	2.014:6276DNY12("a")	N	
2.015	SID	SID#					AN	3	10	0	1	17	2.015:1234567L("a")	N	
2.018	NAM	Name					AS	3	30	1	1	37	2.018:JONES, ANTHONY P("a")	N	Comma, hyphen and a blank are all allowed as special characters. Hyphen is only allowed in the surname.
2.020	POB	Place of Birth					A	2	2	1	1	9	2.020:VA("a")	N	
2.038	DPR	Date Printed	M	M			N	8	8	1	1	15	2.038:19950324("a")	N	
2.059	SRF	Search Results Findings					A	1	1	1	1	8	2.059:N("a")	N	
2.060	MSG	Status/Error Message					ANS	1	300	1	11	3317	2.060:MATCH MADE AGAINST SUBJECTS FINGERPRINTS ON 05/01/94. PLEASE NOTIFY SUBMITTING STATE IF MATCH RESULTS<("a")	N	
2.067	IMA	IMAGE CAPTURE EQUIPMENT ORIGINATING FINGERPRINT READING SYSTEM MAKE (MAK)	M	O	O		ANS			1	1	109		Y	
		ORIGINATING FINGERPRINT READING SYSTEM MODEL (MODL)	M	O	O		ANS	1	25	1	1				
		ORIGINATING FINGERPRINT SYSTEM SERIAL NUMBER (SERNO)	M	O	O		ANS	1	50	1	1				
2.070	RAP	Request for Electronic Rapsheet					A	1	1	0	1	8		N	MSP will always populate with 'N' (or absent) before sending to the FBI
2.071	ACN	Action To Be Taken					ANS	0	300	0	1	307		N	
2.073	CRI	Controlling Agency Identifier	M	M	O	O	AN	1	9	1	3	36	2.073:M3300259("a")	N	CRI of the agency collected and submitted prints for ID.
2.075	ERS	Electronic Rap Sheet					ANS	4	200,000	0	1	200,007	2.075:IF NON-IDENT, SUBMIT TO UNSOLVED LATENT FILE("a")	N	Because the RAP (2.070) is always "N", this will never come back to the Mobile ID device
2.088	NOT	Note Field					ANS	1	1000	0	1	1,007	2.088:NOTE("a")	N	
2.096	RPR	Request Photo Record					A	1	1	0	1	8	2.096:Y("a")	N	MSP will set this flag to "Y" before sending to the FBI

**Mobile ID
MICHIGAN TYPE 2**

FIELD NUMBER	IDENTIFIER (MFC)	FIELD NAME	CONDITION for TOT (Mandatory, Optional, or Blank = not used for TOT)				CHARACTER TYPE	LENGTH		OCCURRENCE		MAX NUMBER OF BYTES INCLUDING SEPARATORS & FIELD NUMBERS	EXAMPLE OF DATA	MOBILE ID SOFTWARE AUTO POPULATE (Y/N)	SPECIAL CHARACTERS ALLOWED and COMMENTS
			TIPS (to MSP)	SPIS (to FBI)	RPISR (from FBI)	ERRT (from FBI)		MIN	MAX	MIN	MAX				
2.098	NDR	Name of Designated Repository	M	M			N	1	3	0	4	22	2.298:6 ^(a)	Y	To be coordinated with MSP. See mobile ID documentation. 999 will indicate a state search only. If omitted MSP will follow documented rules.
2.210	ITB	Impression Taken By	M	M			ANS	30	30	1	1	37	2.210:J Q PUBLIC ^(a)	Y	Must come from the device or application authentication.
2.211	LSI	ID# (operator)	M	M			AN	1	12	1	1	12	2.211:23456 ^(a)	Y	Must come from the device or application authentication.
2.212	TIM	Time Printed	M	M			N	4	4	1	1	11	2.212:1315 ^(a)	Y	HHMin (no character separator)
2.230	NDEV	Mobile Device ID	M	M			ANS	3	40	1	1	47	2.208:3332009 ^(a)	Y	Mobile device Serial Number (from phone, PC MAC address)
2.231	MEMAIL	Mobile Device e-mail address	M	M			ANS	3	40	1	1	47	2.208:smltr@MICHIGAN.GOV ^(a)	Y	Email associated with the device (phone, PC, contact)

TOT	Normal Response	Error
TIPS	Michigan format see Michigan Mobile Id.doc	
RPISR	RPISR	ERRT

Fields with a red fill color are not used in Michigan or are populated by MSP before sending to the FBI.
 Fields with a green fill color are NOT expected for searching but may be expected in the results.

March 30, 2015

Scott Blanchard
Michigan State Police
333 South Grand Avenue
Lansing MI 48933

Quote# MI2015-011215-1124 v3 RAPID-ID

Dear Mr. Blanchard,

DataWorks Plus is pleased to respond to the Michigan State Police's request for a Mobile Identification System. We are providing this quoted statement of work to deliver a statewide Mobile Identification System. The initial system will consist of 51 CrossMatch Verifier Mw hand held single finger fingerprint scanners and related DataWorks Plus SAF-ID client licenses. Also included is the Application Server License, Transaction Monitor, Report Manager, the Two Factor Authentication solution and all related services.

This quote also includes Phase II that consists of an additional 52 SAF-ID client licenses utilizing the existing IBIS Extremes.

Statement of Work

Michigan State Police will provide:

- All server hardware
- 51 CrossMatch Verifier Mw's
- All Mobile ID Client Devices to which the Verifier VW's will be paired to
- Mobile Device Management Software
- All required network connectivity
- Remote connectivity access to the system servers and devices
- A detailed product road map.

For Phase I DataWorks Plus will:

- Provide, install and configure Microsoft SQL Server
- Install SAF-ID Application Server License, configure and test
- Install Transaction Manager software, configure and test
- Install Report Manager software, configure and test
- Install Two Factor Authentication Server software, configure and test

- Provide 51 SAF-ID client licenses
- Provide 51 Two-Factor Authentication client licenses
- Provide instruction on installing the Two Factor Authentication client license
- Provide instruction on installing SAF-ID application
- Provide instruction on pairing Verifier Mw
- Provide On Site SAF-ID Administrator "Train the Trainer" training
- Provide On Site SAF-ID Client "Train the Trainer" training
- Provide System Documentation, both printed and electronic.
- Provide Routine updates and security patches for server(s) OS and Anti-Virus software

For Phase II Michigan State Police will provide:

- 52 IBIS Extreme fingerprint scanners
- All Mobile ID Client Devices to which the IBIS Extremes will be paired to

For Phase II DataWorks Plus will:

- Integrate the IBIS Extremes with current SAF-ID application
- Provide 52 SAF-ID client licenses
- Provide instruction on pairing IBIS Extremes

Pricing

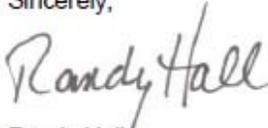
Positive Identification w/SAF-ID			
Software and Services	Unit Cost	Qty	Total Cost
Server Related Items			
SAF-ID Application Server License (Enterprise Edition)	\$ 32,000.00	1	\$ 32,000.00
Microsoft SQL Server Enterprise Edition (8 cores)	\$ 9,950.00	1	\$ 9,950.00
SAF-ID Server/Transaction Manager License (Enterprise Edition)	\$ 9,500.00	1	\$ 9,500.00
SAF-ID Report Manager License (Enterprise Edition)	\$ 4,500.00	1	\$ 4,500.00
Two Factor Authentication Server License	\$ 35,000.00	1	\$ 35,000.00
Remote and Onsite Installation Services	\$ 21,600.00	1	\$ 21,600.00
Client Related Items			
Two Factor Authentication Client (Qty 50+)	\$ 250.00	51	\$ 12,750.00
SAF-ID Client Access License (Qty 50+)	\$ 750.00	51	\$ 38,250.00
On-site Training	\$ 5,320.00	1	\$ 5,320.00
Project Management	\$ 10,800.00	1	\$ 10,800.00
One Year Warranty	Incl.		Incl.
Operating System Update Support			
Routine updates and security patches		1	\$ 4,320.00
Phase II Client Related Items			
Extreme Integration Fee	\$ 12,480.00	1	\$ 12,480.00
SAF-ID Client Access License (Qty 50+)	\$ 750.00	52	\$ 39,000.00
One Year Warranty	Incl.		Incl.
Total			\$ 235,470.00
Maintenance Costs Year Two			
Application Software		1	\$ 27,080.20
Operating System Support		1	\$ 4,320.00
CrossMatch Verifier VW Maintenance and Support	\$ 276.50	51	\$ 14,101.50
IBIS Extreme Maintenance and Support	\$ 192.50	52	\$ 10,010.00
Total Year Two Maintenance			\$ 55,511.70

TERMS:

- Price does not include local, county, state or federal taxes, if applicable
- Price includes shipping to customer site
- Price based on payment terms of 40% payment upon delivery, 40% due upon first productive use and 20% balance due upon acceptance
- Prices are valid for a period of ninety (90) days from the date of this price quote
- Net 30 Payment Terms.

When placing an order, please fax a Purchase Order to 864.672.2787 or email an electronic copy to rhall@dataworksplus.com. Our normal order and delivery lead-time is 30 - 90 days.

Sincerely,



Randy Hall
610-322-9559
rhall@dataworksplus.com

	Michigan State Police		
	RAPID-ID Project Plan		
	Design, Develop and Implement a RAPID-ID system		
Item#	Task	Duration Days	Responsibility
1	Create System diagram	2	MSP
2	Create Project Plan	2	DWP
3	Identify Dataworks Project Manager	1	DWP
4	Identify MSP Project Manager	1	MSP
5	Identify and Install Hardware for Transaction controller	7	MSP
6	Identify all Production Servers (two in Zone 1, and two in Zone 3) that need to be used for this project, and who is going to supply them.	7	MSP
7	Identify and Install Hardware for 2 Factor Authentication Server	7	MSP
8	Identify and Install Hardware for Front – End Web Server(s)	7	MSP
9	Provide IP Addresses for Temp Transaction Manager (TTM) so Jeff Wallace can attempt to test transactions to NEC AFIS from TTM	7	MSP
10	Configure Firewall for Web server communication with AFIS and Mugshot	30	MSP
11	Configure Firewall for communication to Mugshot SQL Server(Changed)	30	MSP
12	What are the Hardware, OS Version, and SQL Version Specs for the permanent Two Factor Server and Permanent Transaction Manager (SQL Server)?	7	DWP
13	Provide prints for testing of MSP Hit, MSP/RISC Hit, RISC Hit	7	MSP
14	Test AFIS Interface	7	DWP
15	Install Software for Transaction controller/AFIS Interface	7	DWP
16	Identify source for two-factor Authentication fingerprint records	30	MSP
17	Install 2 Factor Authentication Server Software	14	DWP
18	Install Software on Front – End Web Server(s)	14	DWP & MSP
19	Install Android Mobile Application with Verifier using Bluetooth	5	DWP
20	Make Application customizations	60	DWP
21	Test Front-end Web application	14	DWP
22	Create System design document (speed, functionality, availability, backup)	14	DWP
23	Setup Import Employee Database and Fingerprints	30	DWP
24	Test Client application	14	MSP



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK**

Project Title: Storage Equipment	Period of Coverage: 10/01/2014-09/30/2015
Requesting Department: Michigan State Police	Date: 5/26/2015
Agency Project Manager: Pete Langenfeld	Phone: 517-241-0727
DTMB Project Manager: Gordon Mayes	Phone: 517-241-2257

Brief Description of Services to be provided:

BACKGROUND:

The Michigan State Police's Statewide Network of Agency Photos (SNAP) is a computerized system for electronically encoding, searching, matching mugshots and SOS images. Currently the SNAP Program contains over 40 million records which include mug shots, SOS images, scars, marks, and tattoos (SMT), and crime scene images. It has numerous interfaces which include AFIS, the FBI, MDOS, and the MDOC. The SNAP system will be adding to interfaces for the sex offender registry and concealed pistol license.

PROJECT OBJECTIVE:

To add (2) Dell MD1400 servers to the SNAP System to increase the I/O and connect and configure one to the DR server.

SCOPE OF WORK AND DELIVERABLES:

Deliverables for this project include:

1. Configure and install the servers to the SNAP System.
2. Test and ensure the systems processes are working with the new configuration and test the DR system

ACCEPTANCE CRITERIA:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them. After installation and configuration, the equipment will:

- Monitor disk i/o in Performance Monitor to confirm improved i/o capacity.
- Confirm the ability to reindex the objects table in the database.
 - Once reindexing is complete there should be a noticeable difference in performance of SNAP.
- Create a second backup of the database on the new disk array to eliminate a single point of failure.

PROJECT CONTROL AND REPORTS:

Once the project commences, a bi-weekly progress report must be submitted to the Agency and DTMB Project Managers throughout the life of this project. Each bi-weekly progress report must contain current status, actions taken, progress made, and any risks identified since the previous report. Any changes to this Statement of Work will require a Contract Change Notice executed by Contractor and DTMB Procurement to be effective.

SPECIFIC DEPARTMENT STANDARDS:

Contractor will adhere to DTMB standards. Contractor staff must pass a criminal background check prior to access to MSP facilities or network. Background checks will be done at the contractor's expense. Contractor must abide by State of Michigan standards.

PAYMENT SCHEDULE:

Payment will be made on a satisfactory acceptance of each Deliverable. DTMB will pay CONTRACTOR upon

receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager Approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

EXPENSES:

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

PROJECT CONTACTS:

The designated Agency Project Manager is:

Pete Langenfeld
Digital Analysis and Identification Section
Michigan State Police
333 S. Grand Avenue
Lansing, MI 48933
517-241-0727
FAX: 517-241-9596
langenfeldp@michigan.gov

The designated DTMB Project Manager is:

Gordon Mayes
Michigan Department of Technology, Management and Budget
333 S. Grand Avenue, MSP HQ 4th Floor
Lansing, MI 48933
517-241-2257
Fax: 517-241-2385
mayesgs@michigan.gov

AGENCY RESPONSIBILITIES:

MSP will be responsible to test the server installation and configuration.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work at vendor location, remotely.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing.

No overtime will be permitted.

April 22, 2015

Mr. Pete Langenfeld
Biometrics and Identification Division
Michigan State Police
333 S. Grand Avenue
Lansing, MI 48933

Dear Pete,

DataWorks Plus is please to provide this quotation for adding additional storage to accommodate the growing demands of the Digital CrimeScene system and future increased transaction volume for the Sex Offender Registry (SOR) and Concealed Pistol Law (CPL) projects.

For this Project DataWorks Plus will:

- 1). Connect and configure one MD1400 to work with the production server.
- 2). Connect and configure one MD1400 to work with the warm standby server.
- 3). Move and reconnect and reconfigure the existing storage device to the DR server.
- 4). Test

Pricing:

Hardware and Services	Unit Cost	Qty	Total Cost
Dell Storage MD1400 (36 TB)	\$ 25,133.75	2	\$ 50,267.50
Remote and Onsite Installation Services	\$ 8,850.00	1	\$ 8,850.00
One Year Warranty	Incl.		Incl.
Total			\$ 59,117.50
Maintenance Costs Year Two			\$ 7,037.45

Price good until August 1, 2015

Terms:

- Price does not include local, county, state or federal taxes, if applicable.
- Price includes remote installation.
- Price includes a one year warranty starting upon installation.
- Price based on payment terms of 100% payment upon installation.
- Net 30 Payment Terms.

When placing an order, please fax a Purchase Order to 864.672.2787. Our normal order and delivery lead-time is 60 - 120 days. If there are questions, please contact me directly at 843-522-0457.

Sincerely

A handwritten signature in black ink that reads "Randy Hall". The signature is written in a cursive, slightly slanted style.

Randy Hall
Senior Account Executive

Disk Storage Upgrade			
Add Disk array to Primay database server			
Item#	Task	Duration Days	Responsibility
1	Order Dell Powervault disk array	1	DWP
2	Ship Disk array to MSP	5	DWP
3	Install Disk array in MSP Rack	1	DWP
4	Provision Storage on Server	1	DWP
5	Copy Databases over to Disk array for testing	5	DWP
6	Test functionality and performance	5	DWP
7	Delete initial copy of test data	1	DWP
8	Move Production Databases to new Disk array	5	DWP
	MSP Test Dunctinality of System	5	MSP
9	Test New records accpeted and added to database	1	MSP
10	Test Facial recongiotn Search	1	MSP
11	Test Image Retrieval	1	MSP
12	Test Crime Scene Upload	1	MSP
13	Test Crime Scene search	1	MSP
14	Test Line up function	1	MSP
15	Approve for payment by MDTMB	5	MSP

When placing an order, please fax a Purchase Order to 864.672.2787. Our normal order and delivery lead-time is 60 - 120 days. If there are questions, please contact me directly at 843-522-0457.

Sincerely

A handwritten signature in black ink that reads "Randy Hall". The signature is written in a cursive style with a large, prominent "R" and "H".

Randy Hall
Senior Account Executive

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 6
 to
CONTRACT NO. 071B0200097
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Dataworks Plus, LLC 728 N. Pleasantburg Drive Greenville, SC 29607	Bill Shepard	BShepard@dataworksplus.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(866) 632-2780 ext 6713	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	MSP	David Roach	517-241-2220	Roachd2@michigan.gov
BUYER	DTMB	Jarrold Barron	517-284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: 551 MSP FY2010 ESTABLISH MAINTENANCE CONTRACT			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2009	September 30, 2014	2, 1 yr. options	September 30, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1 year	September 30, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$8,320.00		\$2,173,123.22		

Effective October 1, 2014, this contract is amended to add \$8,320 for the proprietary services stated in the attached Statement of Work and vendor quote. Per Change Notice 5, the State Administrative Board approved adding \$50,000 as needed for proprietary services during FY 2015, and the State decided it would add that funding as needed through individual Statements of Work. This Change Notice adds \$8,320 of that \$50,000. Remaining value of the Ad Board authorized amount that may be added via future Statements of Work: \$41,680. All other pricing, terms and conditions remain the same. Per contractor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board on September 11, 2014.

Approved Ad Board Contract Value: \$2,214,803.22



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK**

Project Title: Automated Anomaly Search	Period of Coverage: 10/1/2009-9/30/2014
Requesting Department: Michigan State Police	Date: 9/9/14
Agency Project Manager: Amanda Noxon	Phone: 517-241-5787
DTMB Project Manager: Ramesh Devaram	Phone: 810-241-2220

Brief Description of Services to be provided:

BACKGROUND:

The Image Analysis Team (IAT) is a component of the Statewide Network of Agency Photos (SNAP) program that enables the Michigan State Police (MSP) to scrub incoming records from the Michigan Department of State (MDOS). The scrub process identifies potentially fraudulent or errant images within a record but if the image in question is not the most recently captured photo we are limited in our ability to determine a potential true identity for the anomalous image.

PROJECT OBJECTIVE:

Complete a purchase order to obtain an automated anomaly search feature from DataWorks Plus.

SCOPE OF WORK:

To procure a method for automatically performing a facial recognition search on anomalous images as developed from the IAT.

TASKS:

Technical support is required to assist with the following tasks:

- Procurement of the automated anomaly search feature
- Installation and configuration of the anomaly search feature within the SNAP Environment.
- Testing of the automated anomaly search feature

DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them. Deliverables for this project include:

- DataWorks Plus will provide, install and configure the automated anomaly search feature
- MSP will test and accept the automated anomaly search feature

ACCEPTANCE CRITERIA:

Per the terms of the original contract.

PROJECT CONTROL AND REPORTS:

A bi-weekly progress report must be submitted to the Agency and DTMB Project Managers throughout the life of this project. This report may be submitted with the billing invoice. Each bi-weekly progress report must contain the following:

1. **Hours:** Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.
2. **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.
3. **Funds:** Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.

SPECIFIC DEPARTMENT STANDARDS:

Agency standards, if any, in addition to DTMB standards.

Specific MSP standards are outlined in the base construct.

PAYMENT SCHEDULE:

Payment will be made on a satisfactory acceptance of each deliverable. DTMB will pay CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

EXPENSES:

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

PROJECT CONTACTS:

The designated Agency Project Manager is:

Amanda Noxon
Michigan State Police
Digital Image Analysis Section
MSP HQ 3rd Floor
333 South Grand Ave
Lansing, MI 48909
TX: 517-241-5787
FX: 517-241-9596
noxona@michigan.gov

The designated DTMB Project Manager is:

Ramesh Devaram
DTMB
Customer Services for MSP & DMVA
MSP HQ's 4th Floor
333 S Grand Ave
Lansing, MI, 48933
810-241-2220
devaramr@michigan.gov

AGENCY RESPONSIBILITIES:

MSP will be responsible for testing and approving the functionality of the automated anomaly search feature.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work at vendor location, remotely.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing.

No overtime will be permitted.

September 15, 2014

Mr. Pete Langenfeld
Biometrics and Identification Division
Michigan State Police
333 S. Grand Avenue
Lansing, MI 48933

Dear Pete,

DataWorks Plus is presenting this quote for the purpose of purchasing services to create a procedure that would automatically save a Driver's License data scrub search anomaly report image and initiate a 1 to Many search of Facial Recognition system Driver's License database.

DataWorks Plus understands that the Michigan State Police currently receive anomaly reports from the Facial Recognition System 1 to R data scrub search process and that an operator reviews the anomaly reports and that the current process is to save the image from the anomaly report, open the Case Management module and submit the saved image as a probe for a 1 to Many search of the database. MSP wishes this process to be automated.

In order to automate this process, DataWorks Plus will create a process that will be triggered by the operator clicking on Link to be added to the anomaly report screen under the image. This process will run a 1 to Many search and display a page with a row of result images. The options for "Data/Images" and "Linked Images" will be offered under each image, the features of "Add Filters" and "Side by Side Compare" will also be available on the result page. There will be a RETURN button to take the operator back to the Anomaly report page. These Anomaly Search results will be saved with each report and if a prior anomaly 1 to Many search result page is displayed when the operator clicks on the link, the prior search result will be displayed with a RE-SEARCH button to initiate another search to include results with new images entered into the database since the initial search.

This development effort for this application will amount to 32 Man Hours of development time and cost \$ 8,320.00. The deployment will actually take three weeks from start to finish once a Purchase Order is received. Installation and testing will be completed by remote access. MSP will be required to provide the needed remote access connectivity.

TERMS:

- Price does not include local, county, state or federal taxes, if applicable.
- Price includes remote installation.
- Price includes 1 year software warranty started at installation and testing completion.
- Price based on payment terms of 100% due on completion.
- Prices quoted are valid for a period of ninety (90) days from the date of this price quote.
- Net 30 Payment Terms.

Additional Engineering effort by DataWorks Plus beyond the scope of the quoted standard product requested by MSP will be defined in a statement of work and will be submitted to MSP for prior approval. This work will be charged at our standard rate of \$220 per hour. Additional Development effort by DataWorks Plus beyond the scope of the standard quoted product requested by MSP will be defined in a statement of work and will be submitted to MSP for prior approval. This work will be charged at our standard rate of \$260 per hour.

When placing an order, please fax a Purchase Order to (864) 672 2787. Our normal order and delivery lead-time is 30 - 90 days. Prices quoted are valid for 90 days. Please do not hesitate to contact me if there are questions or if more information is required. I can be reached at my direct office line, 716 652 8153 or you can contact me at the DataWorks Plus Toll Free number 866 632 2780 extension 6713.

Sincerely,



Bill Shephard
Senior Account Manager



STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 5
 to
CONTRACT NO. 071B0200097
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Dataworks Plus, LLC 728 N. Pleasantburg Drive Greenville, SC 29607	Bill Shephard	BShephard@dataworksplus.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(866) 632-2780 ext 6713	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR				
BUYER	DTMB	Jarrod Barron	517-284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: 551 MSP FY2010 ESTABLISH MAINTENANCE CONTRACT			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2009	September 30, 2014	2, 1 yr. options	September 30, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1 year	September 30, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$182,992.00		\$2,164,803.22		

Effective September 11, 2014, the State exercises a one-year option and the contract value is increased by \$182,992.00 in accordance with the attached cost table, statement of work and vendor letters. The new contract expiration date is September 30, 2015, and the new total estimated contract value is \$2,164,803.22.

The May 20, 2014 vendor letter agrees to exercise the 1-year option and lists the items for which warranty is expiring that must be added to the maintenance contract. The June 3, 2014 vendor letter quotes the Facial Recognition System maintenance price. The August 7, 2014 vendor letter quotes all maintenance item prices.

PROPREITARY SERVICES NOTE: Contract Section 1.601 as amended by Change Notice Number 1 authorizes procuring of up to \$50,000.00 of Proprietary Services per year. While the State has obtained State Administrative Board approval of the same, funding will be added via Contract Change Notice(s) on an as-needed basis. In order to procure Proprietary Services, the Agency and Contractor will submit a Statement of Work, quote and project plan for each contemplated project to DTMB Procurement as a proposed contract change. The DTMB Procurement Buyer will then make recommendations to the Director of DTMB-Procurement regarding ultimate approval/disapproval of change request. If the DTMB Procurement Director agrees with the proposed modification, and all required approvals are obtained, the DTMB-Procurement Buyer will issue an addendum to the Contract, via a Contract Change Notice. **Contractors who provide products or services prior to the issuance of a Contract Change Notice by the DTMB-Procurement, risk non-payment for the out-of-scope/pricing products and/or services.**

All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board on September 11, 2014.

The buyer has been changed to Jarrod Barron.

Change Notice No. 5 Cost Summary Table

ITEM	COST (\$)
Option Year 6 SNAP software maintenance*	54,954.00
Watchlist Application maintenance	2,520.00
Facial Recognition Case Mgmt Client Software maintenance	6,120.00
Transaction Controller for Latent Print & Face Submissions maintenance	2,240.00
NELTS Interface to SNAP System maintenance	2,660.00
SNAP System Physical Servers maintenance	13,583.00
Digital CrimeScene System maintenance	6,234.00
Facial Recognition System maintenance**	92,293.00
Mobile Facial Recognition System maintenance	1,330.00
Side by Side Comparison Application Module for Facial Recognition maintenance	302.00
FBI Facial Recognition Submission maintenance	756.00
TOTAL	182,992.00

* Per Contract Section 1.601 as amended by Change Notice Number 1.

** Facial Recognition System maintenance is prepaid through December 31, 2014. The parties agree to annual pricing for the Facial Recognition System maintenance at \$123,325.00 through September 30, 2016. However, since the parties are only extending the current contract through September 30, 2015, the parties need only add \$92,293.00 to the contract at this time, a figure representing the pro-rated cost of continuing this maintenance through September 30, 2015. This pro-ration will align the Facial Recognition System maintenance expiration date with the existing contract expiration date. See attached June 3, 2014 vendor letter for further detail.



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK**

Project Title: Add option year 6 of SNAP Contract	Period of Coverage: 10/01/2014 to 09/30/2015
Requesting Department: Michigan State Police	Date: 5/20/14
2014 Agency Project Manager: Pete Langenfeld	Phone: 517-241-0727
DTMB Project Manager: Gordon Mayes	Phone: 517-241-2257

Brief Description of Services to be provided:

BACKGROUND:

The Michigan State Police's Statewide Network of Agency Photos (SNAP) is a computerized system for electronically encoding, searching, matching mugshots and SOS images. Currently, the SNAP Program contains over 40 million records which includes mug shots, SOS images, scars, marks, and tattoos (SMT), and crime scene images. It has numerous interfaces which include AFIS, the FBI, MDOS, and the MDOC.

PROJECT OBJECTIVES:

1. To enact option year 6 of the contract with Dataworks Plus, LLC. The existing Contract provides for Option Year 6 SNAP software maintenance at the cost of \$54,954.00.
2. To add dollars for maintenance of new services procured through the contract. These services are:
 - 1 – Watchlist Application
 - 2 – Facial Recognition Case Management Client Software
 - 3 – Transaction Controller for Latent Print & Face Submissions
 - 4 – NELTS Interface to SNAP System
 - 5 – SNAP System Physical Servers
 - 6 – Digital CrimeScene System
 - 7 – Facial Recognition System
 - 8 – Mobile Facial Recognition System
 - 9 – Side by Side Comparison Application Module for Facial Recognition
 - 10 – FBI Facial Recognition Submission

See attached Cost Summary Table for further details.

SCOPE OF WORK:

Vendor will provide recurring Maintenance for the systems currently in place (listed above).

TASKS:

Respond to requests for service when issues arise as outlined in contract.

DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them. Deliverables for this project include:

1. Support of current systems outlined in the contract..

ACCEPTANCE CRITERIA:

Per the terms of the existing Contract.

PROJECT CONTROL AND REPORTS:

A bi-weekly progress report must be submitted to the Agency and DTMB Project Managers throughout the life of this project. This report may be submitted with the billing invoice. Each bi-weekly progress report must contain the following:

4. **Hours:** Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.
5. **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.
6. **Funds:** Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.

SPECIFIC DEPARTMENT STANDARDS:

Agency standards, if any, in addition to DTMB standards. Contractor staff must pass a criminal background check prior to access to MSP facilities or network. Background checks will be done at the contractor's expense. Contractor must abide by State of Michigan standards.

PAYMENT SCHEDULE:

- Payment will be made on a satisfactory acceptance of each Deliverable. DTMB will pay CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

EXPENSES:

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

PROJECT CONTACTS:

The designated Agency Project Manager is:

Pete Langenfeld
Digital Image Analysis Section
Michigan State Police
333 S. Grand Avenue
Lansing, MI 48933
517-241-0727
FAX: 517-241-9596
langenfeldp@michigan.gov

The designated DTMB Project Manager is:

Gordon Mayes
Michigan Department of Technology, Management and Budget
333 S. Grand Avenue, MSP HQ 4th Floor
Lansing, MI 48933
517-241-2257
Fax: 517-241-2385
mayesgs@michigan.gov

AGENCY RESPONSIBILITIES:

MSP will be responsible to review and approve the design, software changes, and interfaces. MSP will be responsible to test the software modifications prior to implementation.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work at vendor location, remotely.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing.

No overtime will be permitted.

May 20, 2014

Pete Langenfeld
Manager Digital Image Analysis Section
Biometrics and Identification Division
Michigan State Police
P.O. Box 30634
Lansing, MI 48909

Dear Pete,

DataWorks Plus agrees to provide continued support and Maintenance of the DataWorks Plus Applications currently deployed for the Michigan State Police that will be coming off of Warranty. It is understood that these systems will need to be added to the current Michigan State Police Contract Maintenance Contract # 071B02000097 as an exercise of the Option Year 6 (FY15) for the contract period of October 1, 2014 to September 30, 2015 with DataWorks Plus.

These additional Systems that are ending their Warranty period and needing to be added to the Maintenance and Support Agreement Contract include:

- Watchlist application
- Facial Recognition Case Management Client Software
- The Transaction Controller for Latent Print and Face Submission to FBI
- NLETS Interface to SNAP System
- SNAP System Physical Servers
- Digital CrimeScene System
- Facial Recognition System
- Mobile Facial Recognition System
- Side By Side Comparison Application Module for Facial Recognition
- The FBI Facial Recognition Submission Sub-System

DataWorks Plus agrees to provide the Maintenance and Support of these listed application systems through the addition of these items to the Contract # 071B02000097 and agrees to accept the exercise of the Optional year 6 of the contract.

If there are questions, please contact me at my direct office line, 716 652 8153 or the DataWorks Plus toll free number, 866 632 2780, extension 6713.

Sincerely,



Bill Shephard
Senior Account Manager

June 3, 2014

Mr. Pete Langenfeld
Biometrics and Identification Division
Michigan State Police
333 S. Grand Avenue
Lansing, MI 48933

Dear Pete,

DataWorks Plus has reviewed the maintenance charges for the Facial Recognition Phase Two Add-On and the amount that will be charged for the annual maintenance of the Facial Recognition system software and software licensing add-on on expiration of the Warranty on December 31, 2014 will be \$ 123,325.00. As your maintenance contract runs from your fiscal year beginning on October 1, 2014 running until September 30, 2015, there will be 9 months of pro-rated charges added to the FY2015 Maintenance Contract for the period of January 1, 2015 to September 30, 2015, or a total add-on of \$ 92,293.75 for that period. The add-on annual maintenance charge for the FY2016 maintenance contract running from October 1, 2015 to September 30, 2016 will be \$123,325.00.

If there are questions regarding the maintenance charges, please contact me at my direct office line, 716 652 8153, the toll free number 866 632 2780, extension 6713 or by email at bshephard@dataworksplus.com .

Sincerely,



Bill Shephard
Senior Account Manager

DataWorks Plus

August 7, 2014

Pete Langenfeld
Manager Digital Image Analysis Section
Biometrics and Identification Division
Michigan State Police
P.O. Box 30634
Lansing, MI 48909

RE: DataWorks Plus Letter dated May 20, 2014 Addressing Acceptance of System Maintenance and Support Contract # 071B02000097 Extension.

Dear Pete,

There were additional Maintenance items to be added to Contract # 071B02000097 as these items have reached or will reach the end of their respective warranty periods during the contract extension period.

DataWorks is providing the following table to enumerated the appropriate charges for each.

Watchlist application	\$ 2,520.00
Facial Recognition Case Management Client Software	6,120.00
The Transaction Controller for Latent Print and Face Submission to FBI	2,240.00
NLETS Interface to SNAP System	2,660.00
SNAP System Physical Servers	13,583.00
Digital CrimeScene System	6,234.00
Facial Recognition System (Pro-rated)	92,293.00
Mobile Facial Recognition System	1,330.00
Side By Side Comparison Application Module for Facial Recognition	302.00
The FBI Facial Recognition Submission Sub-System	756.00

DataWorks Plus agrees to provide the Maintenance and Support of these listed application systems through the addition of these items to the Contract # 071B02000097 and agrees to accept the exercise of the Optional year 6 of the contract with these additions.

If there are questions, please contact me at my direct office line, 716 652 8153 or the DataWorks Plus toll free number, 866 632 2780, extension 6713.

Sincerely,



Bill Shephard
Senior Account Manager

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 4 (Revised)
 to
CONTRACT NO. 071B0200097
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Dataworks Plus, LLC 728 N. Pleasantburg Drive Greenville, SC 29607	Bill Shephard	BShephard@dataworksplus.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(866) 632-2780	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR				
BUYER	DTMB	Mike Breen	517-241-7720	breenm@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: 551 MSP FY2010 ESTABLISH MAINTENANCE CONTRACT			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2009	September 30, 2014	2, 1 yr. options	September 30, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		September 30, 2014
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$20,342.30		\$1,981,811.22		
Effective immediately, this Contract is hereby INCREASED by \$20,342.30. Additionally, please see the attached vendor quote.				
All other terms, conditions, specifications, and pricing remain the same.				
Per vendor agreement and DTMB Procurement approval.				

DataWorks Plus

A Leader In Law Enforcement Technology

February 16, 2013

Mr. Pete Langenfeld
Biometrics and Identification Division
Michigan State Police
333 S. Grand Avenue
Lansing, MI 48933

Dear Pete,

DataWorks Plus is providing this quotation for creating an interface from the State Network of Agency Photographs (SNAP) System to the Sex Offender Registry System. It is understood that the Registry needs to have this interface in order to pull facial images from the SNAP system databases to add to the records of registrants. It is understood that the Registry will submit a query that will provide, Last Name, First Name, Middle name or initial, the Date of Birth, the Driver's License number, the SID and TCN if available and that a search will return a message with the facial image. The Secretary of State Driver's License will be searched first, and a photo returned if available. If there isn't a Driver's License photo available, then the query will run the Name, DOB and SID/TCN against the SNAP Arrest Database and return a photo from the SNAP system. It is also understood that there may be a small number of records that will be created for out-of-state Sex Offenders that are required to register on taking residence in Michigan, and have not yet obtained a Driver's License or Official State Photo ID from the SOS Office. In these cases a message will be returned stating that no image is available. A full Statement of Work will be provided after a specification is negotiated.

DataWorks Plus' charge for the creation of this interface will be \$ 8,320.00. This cost includes development, testing and remote installation services. The interface will have a one year warranty started at delivery. DataWorks Plus understand that additional client license assess will be required. This cost will be \$ 5,000.00. The total cost will be \$13,320.00. After the first year of included warranty coverage for Support and Maintenance, there will be an annual charge of 12% of cost for Monday through Friday, 8 am to 5 pm coverage or \$1,598.40 or 14% for 24/7 coverage or \$1,864.80 for years 2 and 3. For year 4 and 5 there will be a 3% increase or \$ 47.95 added for Monday through Friday, 8-5 coverage or \$ 1,912.75 annually or an increase of \$ 55.94 added for 24/7 coverage or \$ 1,920.74 annually.

TERMS:

- Price does not include local, county, state or federal taxes, if applicable.
- Price includes remote installation.
- Price includes 1 year software warranty started at delivery.
- Price based on payment terms of 100% payment on delivery.
- Prices quoted are valid for a period of ninety (90) days from the date of this price quote.

DataWorks Plus

A Leader In Law Enforcement Technology

- Net 30 Payment Terms.

When placing an order, please fax a Purchase Order to (864) 672 2787. Our normal order and delivery lead-time is 30 - 90 days. If there are questions, please contact me at my direct office line, 716 652 8153 or the DataWorks Plus toll free number, 866 632 2780, extension 6713.

Sincerely,

Bill Shephard

Bill Shephard
Senior Account Manager

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

September 6, 2013

CHANGE NOTICE NO. 4
 to
CONTRACT NO. 071B0200097
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Dataworks Plus, LLC 728 N. Pleasantburg Drive Greenville, SC 29607	Bill Shephard	BShephard@dataworksplus.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(866) 632-2780	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR				
BUYER	DTMB	Mike Breen	517-241-7720	breenm@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: 551 MSP FY2010 ESTABLISH MAINTENANCE CONTRACT			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2009	September 30, 2014	2, 1 yr. options	September 30, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card	<input type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		September 30, 2014
VALUE/COST OF CHANGE NOTICE:			ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	
\$16,831.15			\$1,968,300.07	
Effective immediately, this Contract is hereby INCREASED by \$16,831.15. Additionally, please see the attached vendor quote.				
All other terms, conditions, specifications, and pricing remain the same.				
Per vendor agreement and DTMB Procurement approval.				

DataWorks Plus

A Leader In Law Enforcement Technology

February 16, 2013

Mr. Pete Langenföld
Biometrics and Identification Division
Michigan State Police
333 S. Grand Avenue
Lansing, MI 48933

Dear Pete,

DataWorks Plus is providing this quotation for creating an interface from the State Network of Agency Photographs (SNAP) System to the Sex Offender Registry System. It is understood that the Registry needs to have this interface in order to pull facial images from the SNAP system databases to add to the records of registrants. It is understood that the Registry will submit a query that will provide, Last Name, First Name, Middle name or initial, the Date of Birth, the Driver's License number, the SID and TCN if available and that a search will return a message with the facial image. The Secretary of State Driver's License will be searched first, and a photo returned if available. If there isn't a Driver's License photo available, then the query will run the Name, DOB and SID/TCN against the SNAP Arrest Database and return a photo from the SNAP system. It is also understood that there may be a small number of records that will be created for out-of-state Sex Offenders that are required to register on taking residence in Michigan, and have not yet obtained a Driver's License or Official State Photo ID from the SOS Office. In these cases a message will be returned stating that no image is available. A full Statement of Work will be provided after a specification is negotiated.

DataWorks Plus' charge for the creation of this interface will be \$ 8,320.00. This cost includes development, testing and remote installation services. The interface will have a one year warranty started at delivery. DataWorks Plus understand that additional client license assess will be required. This cost will be \$ 5,000.00. The total cost will be \$13,320.00. After the first year of included warranty coverage for Support and Maintenance, there will be an annual charge of 12% of cost for Monday through Friday, 8 am to 5 pm coverage or \$1,598.40 or 14% for 24/7 coverage or \$1,864.80 for years 2 and 3. For year 4 and 5 there will be a 3% increase or \$ 47.95 added for Monday through Friday, 8-5 coverage or \$ 1,912.75 annually or an increase of \$ 55.94 added for 24/7 coverage or \$ 1,920.74 annually.

TERMS:

- Price does not include local, county, state or federal taxes, if applicable.
- Price includes remote installation.
- Price includes 1 year software warranty started at delivery.
- Price based on payment terms of 100% payment on delivery.
- Prices quoted are valid for a period of ninety (90) days from the date of this price quote.

DataWorks Plus

A Leader In Law Enforcement Technology

- Net 30 Payment Terms.

When placing an order, please fax a Purchase Order to (864) 672 2787. Our normal order and delivery lead-time is 30 - 90 days. If there are questions, please contact me at my direct office line, 716 652 8153 or the DataWorks Plus toll free number, 866 632 2780, extension 6713.

Sincerely,

Bill Shephard

Bill Shephard
Senior Account Manager

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 3
 to
CONTRACT NO. 071B0200097
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Dataworks Plus, LLC 728 N. Pleasantburg Drive Greenville, SC 29607	Bill Shephard	BShephard@dataworksplus.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(866) 632-2780	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR				
BUYER	DTMB	Reid Sisson	517-241-1638	sissonr@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: 551 MSP FY2010 ESTABLISH MAINTENANCE CONTRACT			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
5 Yrs.	October 1, 2009	September 30, 2014	2, 1 yr. options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$1,410,896.00		\$1,951,468.92		
Effective immediately, this Contract is hereby INCREASED by \$1,410,896.00. Additionally, please see the attached Statement of Work, Contractor Proposal, and Payment Schedule.				
All other terms, conditions, specifications, and pricing remain the same.				
Per vendor agreement, DTMB Procurement approval, and the approval of the State Administrative Board dated				

February, 19 2013.



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK**

Project Title: The Statewide Network of Agency Photo's (SNAP) Facial Template Expansion	Period of Coverage: 4/15/12 to 9/30/15
Requesting Department: Michigan State Police	Date: 11/5/12
Agency Project Manager: Pete Langenfeld	Phone: 517-241-0727
DTMB Project Manager: Gordon Mayes	Phone: 517-241-2257

Brief Description of Services to be provided:

BACKGROUND:

The Statewide Network of Agency Photo's (SNAP) Program has been able to do facial recognition searches against the arrestee database since 2004. The MSP has received a database copy of the Michigan Department of States image however it does not currently have enough facial templates licensed to be able to conduct facial recognition searches and would like to administer Facial Recognition searches against over 30 million Drivers License facial images.

PROJECT OBJECTIVE:

To purchase an enterprise license to create facial templates for each individual Drivers License record for current and future facial images added to the database. It is also to provide a configuration to update the current system to handle the input and output increase due to the database size and daily updates.

SCOPE OF WORK:

To add money to the existing contract with Dataworks Plus LLC (DWP) to allow for the increase in size and structure of the facial recognition database in SNAP.

TASKS:

- Complete the upgrade of the Microsoft SQL Server 2008 Standard Edition to Microsoft SQL Server 2012 Enterprise Edition.
- Install Matching Servers in Rack, configure and test.
- Load and Configure Application software and Search Engine software
- Configure FACE Plus Facial Recognition application software for new matching servers.
- Initiate enrollment of Driver's License photo images and build Facial Recognition Templates for the search engine, monitor enrollment Process.
- Initiate enrollment and build templates of the images in the SNAP Arrest database into the search engine.
- Set up first DL database containing the newest photo image templates from each unique Driver's License number record.
- Set up second DL database of all photo image templates other than the newest photo image from each unique Driver's License number record.
- Set up searching routines to run Investigative probes against database 1 and 2 as a Priority One search.
- All Priority One probes will be placed in a queue to be run as next search available with the oldest Priority One submission run first.
- Set up searching routines to run images of newly issued Driver's Licenses as probes from Batch

Download from SOS against database 1 and 2 as a Priority Two search to see if there is a possibility of the subject's photo already being in the system under a different unique Driver's License number and/or different name. Priority Two searches will be run when there are no Priority One searches in a waiting queue. Exception report will be generated for images that appear to have an existing image match in the database with a different unique Driver's License number or different name and placed in a queue for review by State Investigators.

- Build an interface to accept Batch Downloads of new Driver's License transactions, and place them in a queue based on a date/time stamp.
- Set up search routines to run each existing image of the 30 million record database against the first DL database of 8 to 10 million to determine if the image template matches any other image templates associated with another Driver's License number. This search routine will run in the background as a Priority Three Search when no Priority One or Priority Two searches are pending in queue. If an image is found that appears to have a match to an image with a different Driver's License number, DataWorks Plus will generate an exception report to be displayed for review by the State. DataWorks Plus will set these searches up to start with the newest and run backwards to the oldest until completion. DataWorks Plus will continue to monitor this search process progress throughout the project.
- DTMB will provide all required remote access to DataWorks Plus for setup and monitoring the processes described above.

DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them.

Deliverables for this project include:

1. Create templates for each Driver's License image that was received in the database copy in May 2012 and entered into database. Develop an interface from State data-provider systems to provide MSP/DTMB with a daily update of new images, data captured across the state so that all new records are added to the database.
2. To provide a search engine that will handle the increase in images being added to the system.

ACCEPTANCE CRITERIA:

PROJECT CONTROL AND REPORTS:

A bi-weekly progress report must be submitted to the Agency and DTMB Project Managers throughout the life of this project. This report may be submitted with the billing invoice. Each bi-weekly progress report must contain the following:

7. **Hours:** Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.
8. **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.
9. **Funds:** Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.

SPECIFIC DEPARTMENT STANDARDS:

Agency standards, if any, in addition to DTMB standards. Contractor staff must pass a criminal background check prior to access to MSP facilities or network. Background checks will be done at the contractor's expense. Contractor must abide by State of Michigan standards.

PAYMENT SCHEDULE:

- Payment will be made on a satisfactory acceptance of each Deliverable. DTMB will pay CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to

payment. The invoices shall describe and document to the State's satisfaction a description of the work performed the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

EXPENSES:

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

PROJECT CONTACTS:

The designated Agency Project Manager is:

Pete Langenfeld
Digital Image Analysis Section
Michigan State Police
333 S. Grand Avenue
Lansing, MI 48933
517-241-0727
FAX: 517-241-9596
langenfp@michigan.gov

The designated DTMB Project Manager is:

Gordon Mayes
Michigan Department of Technology, Management and Budget
333 S. Grand Avenue, MSP HQ 4th Floor
Lansing, MI 48933
517-241-2257
Fax: 517-241-2385
mayesgs@michigan.gov

AGENCY RESPONSIBILITIES:

MSP will be responsible to review and approve the design, software changes, and interfaces. MSP will be responsible to test the software modifications prior to implementation.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work at vendor location, remotely.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing.

No overtime will be permitted.

March 6, 2013

Pete Langenfeld
Section Manager
Digital Image Analysis Section
Biometrics Identification Division
Michigan State Police
333 S. Grand Avenue
Lansing, MI 48909

Ref: MSP Purchase Order Number 084N2203133; Driver's License Facial Recognition, Phase One

Dear Pete,

DataWorks Plus LLC is pleased to present this Phase Two quotation and statement of work for the purpose of providing Phase Two of the Facial Recognition expansion for the SNAP system to include the Michigan Driver's License database. Phase One has been initiated under the referenced purchase order expanding the Michigan State Police (MSP) SNAP Facial Recognition System to include the capability of housing a copy of the Secretary of State's Driver's License database and images and executing Facial Recognition searches against it. DataWorks Plus understands that this database has about thirty million (30,000,000) records and images. It is understood further that this database includes many duplicates but that MSP wishes to keep each image for enrollment into the Driver's License Facial Recognition Template database. Phase One of the project was to build the PhotoManager database from a database copy provided by the State of Michigan. It was discovered that the copy provided was created in Microsoft SQL Enterprise Edition. The SNAP System had been upgraded to Microsoft SQL Server 2008 Standard Edition which was the current database version. In order to facilitate the size of the database to import and to be able to restore the database extract copy, DataWorks Plus has to upgrade the SQL Server database software to Microsoft SQL Server 2012 Enterprise Edition.

Phase One will provide a data scrub on the individual records to discover anomalies within the individual records. If records are found that have any photo images that appear not to match the rest of the images in the record, those records found will be set aside for review and reported in an Exception Reporting System. Human viewing by MSP personnel will permit the deviant images to be searched against the approximately 30 million image database for possible identification once the enrollment process of the approximately 30 million images is complete

The purpose of Phase One is to identify records that possibly have more than one person represented for a unique Driver's License Identification number. The first task of Phase One is to create and build the Driver's License Database in the SNAP PhotoManager System. The data will be validated as it is entered into the DL database. Temporary Facial Recognition templates will be created of each image in the individual subject's records identified by the unique Driver's License number. Each image will be compared to the other images in the record by the Facial Recognition System, comparing the images to verify that each image matches the rest of the images in the total individual's record. If a record is found that has an image that appears not to match the rest of the record, the record will be flagged and the unique Driver's License number for that record and the date of issue will be placed in a report and forwarded to MSP for further investigation. As a subject's records are completed the temporary templates will be deleted and used for the check of the next record. The process will repeat until completion.

When Phase One is complete, there will be between 8 and 10 million unique homologous Driver's License records, some with multiple images, but the Phase One data scrubbing process will assure that the images in each record matches the rest of the images in the record and are photos of the record data owner. DataWorks Plus is recommending that the newest photo from each of the 8 to 10 million Phase One scrubbed records be placed into a database with the newest photo from the other 8 to 10 million homologous records for matching purposes and that the subsequent photos (second oldest to oldest) from each record be placed into a second database for matching purposes (to total approximately 20 to 22 million). Searches for investigative purposes would run against each of the two Driver's License databases, but could do so simultaneously to decrease response times for searches. This would be the method to search for criminal investigations and verifying new Driver's License transactions. Investigative searches will be designated as Priority One searches. Searches for verifying new Driver's License transactions will be designated as Priority Two searches.

The purpose of Phase Two data scrubbing is to identify Driver's License records where an individual may have multiple Driver's License numbers assigned, whether with the same name or another name and data set. These records when found, will be submitted in an exception report to indicate that further investigation is required by State personnel. In a day forward operation, each new issuance of a Driver's License will result in a search of the approximately 30 million record data base to see if the person's image matches an image that is already assigned to a different Driver's License number. In this case, an exception report will be issued and presented for review viewing and further investigation by State personnel. An interface will be built by DataWorks Plus to accept a Batch File Download from the State of new images resulting from new Driver's License transactions. The frequency of this data transfer will be determined by the State. In a day forward approach, these new record images will be submitted for search against the first and second DL Databases based on a date time stamp running the oldest first.

In addition, the Phase Two data scrub, each of the images in the approximately 30 million Driver's License image database will be run against the database of the unique newest photo 8 to 10 million record Driver's License database to see if an image matches an image that is associated with another Driver's License number. These searches will be run in the background, from the newest backwards to the oldest in the system. If an image appears to match an image having a different unique Driver's License number an exception report will be generated for follow up review by State personnel. This scrubbing process will run in the background as a Priority Three task. Priority One Tasks will be assigned to Investigative Searches and run against both the first and second Driver's License databases of approximately 30 million records, Priority Two Tasks will be assigned to New Record scrubbing to run newly received Driver's License transactions' images against the collective 30 million record database. DataWorks Plus will configure the system hardware so that that the target time for a search result to be returned is six to nine seconds from a full system search.

System Configuration Pricing:

NEC Search Engine with Unlimited Template License	\$ 1,050,000.00
FACE Plus Server Application Software	30,000.00
Upgrade MS SQL Server to MS SQL 2012 Enterprise	17,396.00
SQL 2012 Enterprise Upgrade Services	1,500.00
Case Management Client Licensing (10 Licenses)	85,000.00
Seat Licensing	3,000.00
Upgrade Mobile FR to Unlimited Licenses	50,000.00
Interface for Daily Batch Dump from the State	30,000.00
NEC Template Enrollment	20,000.00
Phase Two Data Scrub	50,000.00
Set Up Multiple Search Engine Capability for Arrest Database	25,000.00
Set up Web Page Reporting to list Records with anomalies	20,000.00
Project Management	20,000.00
Software Installation Services	2,000.00
"Train the Trainer" Training and Documentation	7,000.00
Total	\$ 1,410,896.00

Maintenance Charges for Second and Third contract years:

8-5 Monday – Friday (except Holidays)	\$ 159,408.00
7/24 Maintenance 365 Days Annually	\$ 182,475.00

Maintenance Agreement includes either 8-5 M-F or 7/24 Help Desk (depending on chosen program), Application Software Upgrades and Updates, Updates of OS Patches and Virus protection software, issuance of new NEC templates as needed to continue enrollments, and hardware refresh for matching servers after five years.

Statement of Work Driver's License Facial Recognition Project, Phase Two:

DataWorks Plus will:

- Complete the upgrade of the Microsoft SQL Server 2008 Standard Edition to Microsoft SQL Server 2012 Enterprise Edition.
- Load and Configure Application software and NEC Search Engine software
- Configure FACE Plus Facial Recognition application software for new matching servers.
- Initiate enrollment of Driver's License photo images and build Facial Recognition Templates for the NEC search engine.
- Monitor Enrollment Process.
- Initiate enrollment and build templates of the images in the SNAP Arrest database into the NEC search engine.
- Set up first DL database containing the newest photo image templates from each unique Driver's License number record.
- Set up second DL database of all photo image templates other than the newest photo image from each unique Driver's License number record.
- Set up searching routines to run Investigative probes against database 1 and 2 as a Priority One search. All Priority One probes will be placed in a queue to be run as next search available with the oldest Priority One submission run first.
- Set up searching routines to run images of newly issued Driver's Licenses as probes from Batch Download from the State against database 1 and 2 as a Priority Two search to see if there is a possibility of the subject's photo already being in the system under a different unique Driver's License number and/or different name. Priority Two searches will be run when there are no Priority One searches in a waiting queue. Exception report will be generated for images that appear to have an existing image match in the database with a different unique Driver's License number or different name and placed in a queue for review by State Investigators.
- Build an interface to accept Batch Downloads of new Driver's License transactions from the State, and place them in a queue based on a date/time stamp.
- Set up search routines to run each existing image of the 30 million record database against the first DL database of 8 to 10 million to determine if the image template matches any other image templates associated with another Driver's License number. This search routine will run in the background as a Priority Three Search when no Priority One or Priority Two searches are pending in queue. If an image is found that appears to have a match to an image with a different Driver's License number, DataWorks Plus will generate an exception report to be displayed for review by State personnel. DataWorks Plus will set these searches up to start with the newest and run backwards to the oldest until completion. DataWorks Plus will continue to monitor this search process progress throughout the project.

- MSP will provide all required remote access to DataWorks Plus for setup and monitoring the processes described above.
- DataWorks Plus will set up the SNAP Investigative Facial Recognition Searches that are run against the SNAP Arrest Database using the Cognitec search engine to also run against the NEC search engine and return results to the SNAP Facial Recognition System via the Face Plus Case Management Client. Investigative probe searches will be run against both search engines and will display the results of each individual search engine and also offer display the combined result search.
- Install Ten (10) DataWorks Plus Case Management Client Licenses to include Pose Correction functionality. These ten licenses include one license for the currently installed “Try and Buy” Case Management client with Pose Correction. There will be an additional nine license concurrencies, or they may be installed to operate as individual fixed thick clients.
- Upgrade the Mobile Facial Recognition Client License to Unlimited.

TERMS:

- Price does not include local, county, state or federal taxes, if applicable.
- Price includes shipping to customer site.
- Price includes 1 year hardware and software warranty started at delivery to customer site.
- Prices quoted are valid for a period of one hundred and twenty (120) days from the date of this price quote.
- Net 30 Payment Terms.

When placing an order, please fax a Purchase Order to (864) 672 2787. Our order and delivery lead-time for this project is 45 - 120 days. If there are questions, please contact me at my direct office line, 716 652 8153 or the DataWorks Plus toll free number, 866 632 2780, extension 6713.

Sincerely,



Bill Shephard
Senior Account Manager

April 1, 2013

Pete Langenfeld
Section Manager
Digital Image Analysis Section
Biometrics Identification Division
Michigan State Police
333 S. Grand Avenue
Lansing, MI 48909

Ref: DataWorks Plus LTR dated March 6, 2013, Driver's License Facial Recognition, Phase Two Proposal.

Dear Pete,

DataWorks Plus envisions a payment schedule for the Michigan Driver's License Facial Recognition Project Phase Two that is based on deliverables and wishes to follow this payment model listed below.

Payment One - 20% payment with the Purchase Order.

This Milestone includes:

- Accepting and Processing Purchase Order
- Delivery of Project Plan Timeline

Payment Two - 50% on First Productive Use

This Milestone includes delivery of:

- NEC Search Engine with Unlimited Template License
- FACE Plus Server Application Software
- Upgrade MS SQL Server to MS SQL 2012 Enterprise
- SQL 2012 Enterprise Upgrade Services
- Case Management Client Licensing (10 Licenses)
- Seat Licensing
- NEC Template Enrollment
- Project Management
- Software Installation Services
- Set up Web Page Reporting to list Records with anomalies

Payment Three – 20% on delivery of Additional Functions.

This Milestone included delivery of :

- Upgrade Mobile FR to Unlimited Licenses

- Design Interface for Daily Batch Dump from the State
- Set up and Start Phase Two Data Scrub
- Set Up Multiple Search Engine Capability for Arrest Database, NEC and Cognitec
- “Train the Trainer” Training and Documentation

Payment Four – 10% Payment on System functionality acceptance.

This Milestone includes:

- Acceptance that all functions are working as expected.

Please call me if there are any questions or concerns at my direct office line 716 652 8153 or the toll free number 866 632 2780, extension 6713.

Sincerely,

Bill Shephard

Bill Shephard
Senior Account Manager

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48913

May 14, 2012

CHANGE NOTICE NO. 2
To
CONTRACT NO. 071B020097
Between
THE STATE OF MICHIGAN
And

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Dataworks Plus, LLC 728 N. Pleasantburg Drive Greenville, SC 29607	Bill Shephard	BShephard@dataworksplus.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(866) 632-2780	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:				
BUYER:	DTMB	Reid Sisson	(517) 241-1638	sissonr@michigan.gov

INITIAL CONTRACT SUMMARY:			
DESCRIPTION: 551 MSP FY2010 ESTABLISH MAINTENANCE CONTRACT			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
5 Yrs.	October 1, 2009	September 30, 2014	2, 1 yr. options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:	
OPTION EXERCISED: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	IF YES, NEW EXPIRATION DATE:
Effective immediately, this Contract is hereby INCREASED by \$16,000.00. Per vendor and agency agreement and DTMB Procurement approval.	
VALUE/COST OF CHANGE NOTICE:	\$16,000.00
ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	\$540,572.92

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY MANAGEMENT AND BUDGET
ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

August 18, 2011

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B0200097
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Dataworks Plus, LLC 728 N. Pleasantburg Drive Greenville, SC 29607 Email: BShephard@dataworksplus.com	TELEPHONE: Bill Shephard (866) 632-2780
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1638 Reid Sisson
Contract Compliance Inspector: 551 MSP FY2010 ESTABLISH MAINTENANCE CONTRACT	
CONTRACT PERIOD: 5 years 2 options From: October 1, 2009 To: September 30, 2014	
TERMS <p style="text-align: center;">NA</p>	SHIPMENT <p style="text-align: center;">NA</p>
F.O.B. <p style="text-align: center;">NA</p>	SHIPPED FROM <p style="text-align: center;">NA</p>
MINIMUM DELIVERY REQUIREMENTS	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective immediately, this contract is hereby INCREASED by \$14,554.00. Please also note that the buyer has been CHANGED to Reid Sisson.

AUTHORITY/REASON(S):

Per vendor and agency agreement and DTMB Purchasing Operations approval.

INCREASE: \$14,554.00

Estimated Contract Value: \$524,572.92

1.601 Compensation and Payment

Method of Payment

Maintenance and support charges will be paid annually and in advance, consistent with current practices. Payment of maintenance service/support of less than one (1) month's duration shall be prorated at 1/30th of the basic monthly maintenance charges for each calendar day.

Payment will be made on annual basis according to the following pricing table (see also Attachment A)

	Year 1	Year 2	Year 3	Year 4	Year 5	OPTION Year 6	OPTION Year 7
	10/01/09-9/30/10	10/1/10-9/30/11	10/1/11-9/30/12	10/1/12-9/30/13	10/1/13-9/30/14	10/1/14-9/30/15	10/1/15-9/30/16
SNAP software maintenance	\$50,769.00	\$50,769.00	\$51,784.38	\$52,820.07	\$53,876.47	\$54,954.00	\$56,053.08
Blackberry Facial Recognition maintenance	N/A	N/A	/A	1330.00	1330.00	1330.00N	TBD
Side by Side maintenance	N/A	N/A	/A	302.00	302.00	302.00N	TBD
FBI Facial Recognition maintenance	N/A	N/A	/A	756.00	756.00	756.00N	TBD
Services**	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00
Additional Services		7,390.00					
Yearly Total	\$100,769.00	\$108,159.00	\$101,784.38	\$105,208.07	\$106,264.47	\$107,342.00	\$106,053.08

**** Proprietary services** to be drawn from this contract for up to \$50,000.00 per year will be dependent upon individual and mutually agreed upon statement(s) of work between DataWorks Plus and the State of Michigan. Once agreed to DataWorks Plus shall not be obliged or authorized to commence any work to implement a statement of work until authorized via a purchase order issued against this contract.

***Additional maintenance from Change Notice #1 for Blackberry Facial Recognition, Side by Side Facial Recognition and FBI Facial Recognition will co-terminate with original contract maintenance after the one (1) year software warranty estimated from 8/1/11 to 9/30/12. Option year 6 if exercised, in addition to time will need to have funding added for the SNAP annual maintenance (\$54,954.00) and additional services(50,000.00) only. Option Year 7 if exercised, in addition to time will need to have funding added for all maintenances and services.

New contract value = \$524,572.92

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

December 29, 2009

NOTICE
 OF
 CONTRACT NO. 071B0200097
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF VENDOR Dataworks Plus, LLC 728 N. Pleasantburg Drive Greenville, SC 29607 Email: BShephard@dataworksplus.com	TELEPHONE: Bill Shephard (866) 632-2780
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 Dale N. Reif
Contract Compliance Inspector: 551 MSP FY2010 ESTABLISH MAINTENANCE CONTRACT	
CONTRACT PERIOD: 5 years 2 options From: October 1, 2009 To: September 30, 2014	
TERMS <p style="text-align: center;">NA</p>	SHIPMENT <p style="text-align: center;">NA</p>
F.O.B. <p style="text-align: center;">NA</p>	SHIPPED FROM <p style="text-align: center;">NA</p>
MINIMUM DELIVERY REQUIREMENTS	
MISCELLANEOUS INFORMATION:	

Estimated Contract Value: **\$510,018.92**

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

**CONTRACT NO. 071B0200097
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Dataworks Plus, LLC 728 N. Pleasantburg Drive Greenville, SC 29607 Email: BShephard@dataworksplus.com	TELEPHONE: Bill Shephard (866) 632-2780 VENDOR NUMBER/MAIL CODE BUYER/CA (517) 373-3993 Dale N. Reif
Contract Compliance Inspector: 551 MSP FY2010 ESTABLISH MAINTENANCE CONTRACT	
CONTRACT PERIOD: 5 years 2 options From: October 1, 2009 To: September 30, 2014	
TERMS <p style="text-align: center;">NA</p>	SHIPMENT <p style="text-align: center;">NA</p>
F.O.B. <p style="text-align: center;">NA</p>	SHIPPED FROM <p style="text-align: center;">NA</p>
MINIMUM DELIVERY REQUIREMENTS	
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of REQ 084R9200159, this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.	
Estimated Contract Value: \$510,018.92	

All terms and conditions of the invitation to bid are made a part hereof.

<p>FOR THE VENDOR:</p> <p style="text-align: center;">Dataworks Plus, LLC _____ Firm Name</p> <p style="text-align: center;">_____ Authorized Agent Signature</p> <p style="text-align: center;">_____ Authorized Agent (Print or Type)</p> <p style="text-align: center;">_____ Date</p>	<p>FOR THE STATE:</p> <p style="text-align: center;">_____ Signature Dale Reif</p> <p style="text-align: center;">_____ Name/Title IT</p> <p style="text-align: center;">_____ Division</p> <p style="text-align: center;">_____ Date</p>
--	--



STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations

Contract Number 071B0200097

Data Works Plus – Statewide Network of Agency Photos (SNAP)
Software maintenance and proprietary services

Buyer Name: Dale Reif
Telephone Number: 517-373-3993
E-Mail Address: reifd@michigan.gov



Table of Contents

DEFINITIONS	66
Article 1 – Statement of Work (SOW)	68
1.000 Project Identification	68
1.001 Purpose	68
1.002 Background	68
1.100 Scope of Work and Deliverables	68
1.101 In Scope	68
1.102 Out Of Scope	68
1.103 Environment	68
1.104 Work And Deliverable	69
1.200 Roles and Responsibilities	70
1.201 Contractor Staff, Roles, And Responsibilities - RESERVED	70
1.202 State Staff, Roles, And Responsibilities- RESERVED	70
1.203 Other Roles And Responsibilities- RESERVED	70
1.300 Project Plan	71
1.301 Project Plan Management- RESERVED	71
1.302 Reports- RESERVED	71
1.400 Project Management	71
1.401 Issue Management- RESERVED	71
1.402 Risk Management- RESERVED	71
1.403 Change Management- RESERVED	71
1.500 Acceptance	71
1.501 Criteria- RESERVED- RESERVED	71
1.502 Final Acceptance- RESERVED	71
1.600 Compensation and Payment	71
1.601 Compensation and Payment	71
1.602 Holdback – RESERVED	72
Article 2, Terms and Conditions	73
2.000 Contract Structure and Term	73
2.001 Contract Term	73
2.002 Options to Renew	73
2.003 Legal Effect	73
2.004 Attachments & Exhibits	73
2.005 Ordering	73
2.006 Order of Precedence	73
2.007 Headings	74
2.008 Form, Function & Utility	74
2.009 Reformation and Severability	74
2.010 Consents and Approvals	74
2.011 No Waiver of Default	74
2.012 Survival	74
2.020 Contract Administration	74
2.021 Issuing Office	74
2.022 Contract Compliance Inspector	74
2.023 Project Manager	75
2.024 Change Requests	75
2.025 Notices	76
2.026 Binding Commitments	77
2.027 Relationship of the Parties	77
2.028 Covenant of Good Faith	77
2.029 Assignments	77
2.030 General Provisions	77
2.031 Media Releases	77
2.032 Contract Distribution	77



2.033	Permits	78
2.034	Website Incorporation	78
2.035	Future Bidding Preclusion	78
2.036	Freedom of Information	78
2.037	Disaster Recovery	78
2.040	Financial Provisions	78
2.041	Fixed Prices for Services/Deliverables	78
2.042	Adjustments for Reductions in Scope of Services/Deliverables	78
2.043	Services/Deliverables Covered	78
2.044	Invoicing and Payment – In General	78
2.045	Pro-ration	79
2.046	Antitrust Assignment	79
2.047	Final Payment	79
2.048	Electronic Payment Requirement	80
2.050	Taxes	80
2.051	Employment Taxes	80
2.052	Sales and Use Taxes	80
2.060	Contract Management	80
2.061	Contractor Personnel Qualifications	80
2.062	Contractor Key Personnel	80
2.063	Re-assignment of Personnel at the State’s Request	81
2.064	Contractor Personnel Location	81
2.065	Contractor Identification	81
2.066	Cooperation with Third Parties	81
2.067	Contract Management Responsibilities	81
2.068	Contractor Return of State Equipment/Resources	82
2.070	Subcontracting by Contractor	82
2.071	Contractor full Responsibility	82
2.072	State Consent to delegation	82
2.073	Subcontractor bound to Contract	82
2.074	Flow Down	83
2.075	Competitive Selection	83
2.080	State Responsibilities	83
2.081	Equipment	83
2.082	Facilities	83
2.090	Security	83
2.091	Background Checks	83
2.092	Security Breach Notification	83
2.093	PCI DATA Security Requirements	84
2.100	Confidentiality	84
2.101	Confidentiality	84
2.102	Protection and Destruction of Confidential Information	84
2.103	Exclusions	85
2.104	No Implied Rights	85
2.105	Respective Obligations	85
2.110	Records and Inspections	85
2.111	Inspection of Work Performed	85
2.112	Examination of Records	85
2.113	Retention of Records	85
2.114	Audit Resolution	86
2.115	Errors	86
2.120	Warranties	86
2.121	Warranties and Representations	86
2.122	Warranty of Merchantability	87
2.123	Warranty of Fitness for a Particular Purpose	87
2.124	Warranty of Title	87
2.125	Equipment Warranty	87
2.126	Equipment to be New	88
2.127	Prohibited Products	88
2.128	Consequences for Breach	88



2.130 Insurance	88
2.131 Liability Insurance	88
2.132 Subcontractor Insurance Coverage	90
2.133 Certificates of Insurance and Other Requirements	90
2.140 Indemnification	91
2.141 General Indemnification	91
2.142 Code Indemnification	91
2.143 Employee Indemnification	91
2.144 Patent/Copyright Infringement Indemnification	91
2.145 Continuation of Indemnification Obligations	92
2.146 Indemnification Procedures	92
2.150 Termination/Cancellation	92
2.151 Notice and Right to Cure	92
2.152 Termination for Cause	93
2.153 Termination for Convenience	93
2.154 Termination for Non-Appropriation	93
2.155 Termination for Criminal Conviction	94
2.156 Termination for Approvals Rescinded	94
2.157 Rights and Obligations upon Termination	94
2.158 Reservation of Rights	94
2.160 Termination by Contractor	95
2.161 Termination by Contractor	95
2.170 Transition Responsibilities	95
2.171 Contractor Transition Responsibilities	95
2.172 Contractor Personnel Transition	95
2.173 Contractor Information Transition	95
2.174 Contractor Software Transition	95
2.175 Transition Payments	96
2.176 State Transition Responsibilities	96
2.180 Stop Work	96
2.181 Stop Work Orders	96
2.182 Cancellation or Expiration of Stop Work Order	96
2.183 Allowance of Contractor Costs	96
2.190 Dispute Resolution	96
2.191 In General	96
2.192 Informal Dispute Resolution	97
2.193 Injunctive Relief	97
2.194 Continued Performance	97
2.200 Federal and State Contract Requirements	97
2.201 Nondiscrimination	97
2.202 Unfair Labor Practices	98
2.203 Workplace Safety and Discriminatory Harassment	98
2.204 Prevailing Wage	98
2.210 Governing Law	98
2.211 Governing Law	98
2.212 Compliance with Laws	98
2.213 Jurisdiction	99
2.220 Limitation of Liability	99
2.221 Limitation of Liability	99
2.230 Disclosure Responsibilities	99
2.231 Disclosure of Litigation	99
2.232 Call Center Disclosure	100
2.233 Bankruptcy	100
2.240 Performance	100
2.241 Time of Performance	100
2.242 Service Level Agreement (SLA)	100
2.243 Liquidated Damages	101
2.244 Excusable Failure	102



2.250	Approval of Deliverables	102
2.251	Delivery of Deliverables	102
2.252	Contractor System Testing	103
2.253	Approval of Deliverables, In General	103
2.254	Process for Approval of Written Deliverables	104
2.255	Process for Approval of Custom Software Deliverables	104
2.256	Final Acceptance	105
2.260	Ownership	105
2.261	Ownership of Work Product by State	105
2.262	Vesting of Rights	105
2.263	Rights in Data	106
2.264	Ownership of Materials	106
2.270	State Standards	106
2.271	Existing Technology Standards	106
2.272	Acceptable Use Policy	106
2.273	Systems Changes	106
2.280	Extended Purchasing	106
2.281	MiDEAL (Michigan Delivery Extended Agreements Locally	106
2.282	State Employee Purchases	107
2.290	Environmental Provision	107
2.291	Environmental Provision	107
2.300	Deliverables	109
2.301	Software	109
2.302	Hardware	109
2.310	Software Warranties	109
2.311	Performance Warranty	109
2.312	No Surreptitious Code Warranty	109
2.313	Calendar Warranty	110
2.314	Third-party Software Warranty	110
2.315	Physical Media Warranty	110
2.320	Software Licensing	110
2.321	Cross-License, Deliverables Only, License to Contractor	110
2.322	Cross-License, Deliverables and Derivative Work, License to Contractor	110
2.323	License Back to the State	111
2.324	License Retained by Contractor	111
2.325	Pre-existing Materials for Custom Software Deliverables	111
2.330	Source Code Escrow	111
2.331	Definition	111
2.332	Delivery of Source Code into Escrow	112
2.333	Delivery of New Source Code into Escrow	112
2.334	Verification	112
2.335	Escrow Fees	112
2.336	Release Events	112
2.337	Release Event Procedures	112
2.338	License	112
2.339	Derivative Works	112



DEFINITIONS

Days	Means calendar days unless otherwise specified.
24x7x365	Means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
Additional Service	Means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Audit Period	See Section 2.110
Business Day	Whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
Blanket Purchase Order	An alternate term for Contract as used in the States computer system.
Business Critical	Any function identified in any Statement of Work as Business Critical.
Chronic Failure	Defined in any applicable Service Level Agreements.
Deliverable	Physical goods and/or commodities as required or identified by a Statement of Work
DMB	Michigan Department of Management and Budget
Environmentally preferable products	A product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those that contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.
Excusable Failure	See Section 2.244.
Hazardous material	Any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).
Incident	Any interruption in Services.
ITB	A generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential bidders
Key Personnel	Any Personnel designated in Article 1 as Key Personnel.
New Work	Any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Ozone-depleting substance	Any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydro chlorofluorocarbons
Post-Consumer Waste	Any product generated by a business or consumer which has served its intended end use, and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.
Post-Industrial Waste	Industrial by-products that would otherwise go to disposal and wastes generated after completion of a manufacturing process, but do not include internally generated scrap commonly returned to industrial or manufacturing processes.
Recycling	The series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.
Deleted – Not Applicable	Section is not applicable or included in this RFP. This is used as a placeholder to maintain consistent numbering.
Reuse	Using a product or component of municipal solid waste in its original form more than once.
RFP	Request for Proposal designed to solicit proposals for services



Services	Any function performed for the benefit of the State.
Source reduction	Any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.
State Location	Any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
Subcontractor	A company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
Unauthorized Removal	Contractor's removal of Key Personnel without the prior written consent of the State.
Waste prevention	Source reduction and reuse, but not recycling.
Waste reduction and Pollution prevention	The practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.
Work in Progress	A Deliverable that has been partially prepared, but has not been presented to the State for Approval.
Work Product	Refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Contract.



Article 1 – Statement of Work (SOW)

1.000 Project Identification

1.001 Purpose

The State of Michigan (the State), through the Michigan Department of Information Technology (MDIT), with assistance of the Michigan Department of Management & Budget (DMB), on behalf of the Michigan State Police (MSP) have issued this contract for proprietary software maintenance and support and proprietary services for the DataWorks Plus software used for the Statewide Network of Agency Photos (SNAP).

1.002 Background

The DataWorks Plus Statewide Network of Agency Photos software is used to enter and maintain a database of mug shots and scars, marks and tattoo photos for all criminal justice agencies in Michigan. Photos are entered into this system via an interface with the Automated Fingerprint Identification System live scan devices. Criminal justice agencies use this system for identification and photo lineups.

1.100 Scope of Work and Deliverables

1.101 In Scope

This is for the software maintenance and support and proprietary services, of the Statewide Network of Agency Photos (SNAP) software, Monday – Friday, excluding holiday's 8x5 local site time and includes all software updates and technical support via phone. Per Attachment A this includes:

- Correcting any failures of the software to meet its specifications.
- Provides all enhancements, additions and updates to the software at no additional expense to MSP.
- MSP can contact technical support to schedule software upgrades for any software purchased. All upgrades should be scheduled during normal business hours.
- If remote site support does not satisfactorily resolve the problem, DataWorks may send a qualified technician to the site to correct the problem. The decision to send a technician onsite will be at the sole discretion of DataWorks Plus and will be done at no additional expense to MSP.
- Maintenance does not cover virus protection or system failure due to virus infection. MSP will be responsible for any damage or failure caused by a computer virus. In the event the system becomes infected and the MSP requires assistance, DataWorks Plus will continue to assist the MSP on a time and materials basis. DataWorks Plus warrants that its products are free from viruses. Any virus introduced to the MSP system by DataWorks Plus will be remedied at the sole expense of DataWorks Plus.
- DataWorks Plus is responsible for any DataWorks Plus provided interfaces listed on this contract. DataWorks Plus will correct any software failure to meet the original specifications for the interface(s) provided by DataWorks Plus. DataWorks Plus is not responsible for updates or changes to the interface(s) to accommodate changes made by the MSP or other vendor.

Proprietary services to be drawn from this contract for up to \$50,000.00 per year will be dependent upon individual and mutually agreed upon statement(s) of work between DataWorks Plus and the State of Michigan. Once agreed to DataWorks Plus shall not be obliged or authorized to commence any work to implement a statement of work until authorized via a purchase order issued against this contract.

1.102 Out Of Scope

1.103 Environment

The links below provide information on the State's Enterprise IT policies, standards and procedures which includes security policy and procedures, IT strategic plan, eMichigan web development and the State Unified Information Technology Environment (SUITE).



Contractors are advised that the State has methods, policies, standards and procedures that have been developed over the years. Contractors are expected to provide proposals that conform to State IT policies and standards. All services and products provided as a result of this RFP must comply with all applicable State IT policies and standards. The Contractor awarded the contract must request any exception to State IT policies and standards in accordance with MDIT processes. The State may deny the exception request or seek a policy or standards exception.

Contractor is required to review all applicable links provided below and state compliance in their response.

Enterprise IT Policies, Standards and Procedures:

<http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html>

All software and hardware items provided by the Contractor must run on and be compatible with the MDIT Standard Information Technology Environment. Additionally, the State must be able to maintain software and other items produced as the result of the Contract. Therefore, non-standard development tools may not be used unless approved by MDIT. The Contractor must request, in writing, approval to use non-standard software development tools, providing justification for the requested change and all costs associated with any change. The State's Project Manager and MDIT must approve any tools, in writing, before use on any information technology project.

It is recognized that technology changes rapidly. The Contractor may request, in writing, a change in the standard environment, providing justification for the requested change and all costs associated with any change. The State's Project Manager must approve any changes, in writing, and MDIT, before work may proceed based on the changed environment.

Enterprise IT Security Policy and Procedures:

<http://www.michigan.gov/dit/0,1607,7-139-34305-108216--,00.html>

The State's security environment includes:

- MDIT Single Login.
- MDIT provided SQL security database.
- Secured Socket Layers.
- SecureID (State Security Standard for external network access and high risk Web systems)

IT Strategic Plan:

<http://www.michigan.gov/dit/0,1607,7-139-30637-135173--,00.html>

IT eMichigan Web Development Standard Tools:

http://www.michigan.gov/documents/Look_and_Feel_Standards_2006_v3_166408_7.pdf

The State Unified Information Technology Environment (SUITE):

Includes standards for project management, systems engineering, and associated forms and templates – must be followed: <http://www.michigan.gov/suite>

1.104 Work And Deliverable

Services To Be Provided and Deliverables

Maintenance and Support

This is for the services, support and maintenance of the Statewide Network of Agency Photos software and hardware, Monday – Friday, excluding holidays 8x5 local site time and includes all software updates and technical support via phone



Covered Software:

Description	Model, Part #	Quantity
NIST NATMS Interface to CIR	NIST Interface	1
Capture & Investigative Workstation PhotoManager™ Software & Licenses only	Capture Client	6
WebWorks Universal Plus™	Web Client	200 / 50
WebWorks Express and Mobile™	Web Client	2500 / 250
Server Application Software PhotoManager™	PM Server	1
Warm Back-up Server Application Software PhotoManager™	PM Backup Server	1
WebWorks™ Web Server Application Software	DWP WW Server	1
Suspect Database and Web Capture License	Web Client	1
PhotoManager™ Workstation Software Licensing	PhotoManager™ Workstation	2
Facial Recognition FACE Plus ID™ 2,000,000 template database with no limit on queries per minute		

Per Attachment A this includes:

- Correcting any failures of the software to meet its specifications.
- Provides all enhancements, additions and updates to the software at no additional expense to MSP.
- MSP can contact technical support to schedule software upgrades for any software purchased. All upgrades should be scheduled during normal business hours.
- If remote site support does not satisfactorily resolve the problem, DataWorks may send a qualified technician to the site to correct the problem. The decision to send a technician onsite will be at the sole discretion of DataWorks Plus and will be done at no additional expense to MSP.
- Maintenance does not cover virus protection or system failure due to virus infection. MSP will be responsible for any damage or failure caused by a computer virus. In the event the system becomes infected and the MSP requires assistance, DataWorks Plus will continue to assist the MSP on a time an materials basis. DataWorks Plus warrants that its products are free from viruses. Any virus introduced to the MSP system by DataWorks Plus will be remedied at the sole expense of DataWorks Plus.
- DataWorks Plus is responsible for any DataWorks Plus provided interfaces listed on this contract. DataWorks Plus will correct any software failure to meet the original specifications for the interface(s) provided by DataWorks Plus. DataWorks Plus is not responsible for updates or changes to the interface(s) to accommodate changes made by the MSP or other vendor.

Proprietary services to be drawn from this contract for up to \$50,000.00 per year will be dependent upon individual and mutually agreed upon statement(s) of work between DataWorks Plus and the State of Michigan. Once agreed to DataWorks Plus shall not be obliged or authorized to commence any work to implement a statement of work until authorized via a purchase order issued against this contract.

Proprietary services

The State reserves the right to purchase additional licenses, maintenance and support, proprietary services and training.

1.200 Roles and Responsibilities

1.201 Contractor Staff, Roles, And Responsibilities - RESERVED

1.202 State Staff, Roles, And Responsibilities- RESERVED

1.203 Other Roles And Responsibilities- RESERVED



1.300 Project Plan

1.301 Project Plan Management- RESERVED

1.302 Reports- RESERVED

1.400 Project Management

1.401 Issue Management- RESERVED

1.402 Risk Management- RESERVED

1.403 Change Management- RESERVED

1.500 Acceptance

1.501 Criteria- RESERVED- RESERVED

1.502 Final Acceptance- RESERVED

1.600 Compensation and Payment

1.601 Compensation and Payment

Method of Payment

Maintenance and support charges will be paid annually and in advance, consistent with current practices. Payment of maintenance service/support of less than one (1) month's duration shall be prorated at 1/30th of the basic monthly maintenance charges for each calendar day.

Payment will be made on annual basis according to the following pricing table (see also Attachment A)

	Year 1	Year 2	Year 3	Year 4	Year 5	OPTION Year 6	OPTION Year 7
	10/01/09-9/30/10	10/1/10-9/30/11	10/1/11-9/30/12	10/1/12-9/30/13	10/1/13-9/30/14	10/1/14-9/30/15	10/1/15-9/30/16
SNAP software maintenance	\$50,769.00	\$50,769.00	\$51,784.38	\$52,820.07	\$53,876.47	\$54,954.00	\$56,053.08
Services**	\$50,000.00						
Yearly Total	\$100,769.00	\$100,769.00	\$101,784.38	\$102,820.07	\$103,876.47	\$104,954.00	\$106,053.08

** **Proprietary services** to be drawn from this contract for up to \$50,000.00 per year will be dependent upon individual and mutually agreed upon statement(s) of work between DataWorks Plus and the State of Michigan. Once agreed to DataWorks Plus shall not be obliged or authorized to commence any work to implement a statement of work until authorized via a purchase order issued against this contract.
Proprietary services

Travel - The State will not pay for any travel expenses, including hotel, mileage, meals, parking, etc. Travel time will not be reimbursed.

Out-of-Pocket Expenses - Contractor out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for such an expense at the State's current travel reimbursement rates. Statements of Work and Issuance of Purchase Orders.



Invoicing - Contractor will submit properly itemized invoices to “Bill To” Address on Purchase Order. Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor name, address, phone number, and Federal Tax Identification Number;
- Description of any commodities/hardware, including quantity ordered;
- Date(s) of delivery and/or date(s) of installation and set up;
- Price for each item, or Contractor’s list price for each item and applicable discounts;
- Maintenance charges; and period of coverage
- Net invoice price for each item;
- Shipping costs;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

1.602 Holdback – RESERVED



Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

This Contract is for a period of five (5) years beginning 10/01/2009 through 09/30/2014. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.002 Options to Renew

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to two (2) additional one (1) year periods.

2.003 Legal Effect

Contractor shall show acceptance of this Contract by signing two copies of the Contract and returning them to the Contract Administrator. The Contractor shall not proceed with the performance of the work to be done under the Contract, including the purchase of necessary materials, until both parties have signed the Contract to show acceptance of its terms, and the Contractor receives a contract release/purchase order that authorizes and defines specific performance requirements.

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

2.004 Attachments & Exhibits

All Attachments and Exhibits affixed to any and all Statement(s) of Work, or appended to or referencing this Contract, are incorporated in their entirety and form part of this Contract.

2.005 Ordering

The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, to order any Services/Deliverables under this Contract. All orders are subject to the terms and conditions of this Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown, however, the Contractor will be required to furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

2.006 Order of Precedence

The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005**.

In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of the Contract, which may be modified or amended only by a formal Contract amendment.



2.007 Headings

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of the Contract.

2.008 Form, Function & Utility

If the Contract is for use of more than one State agency and if the Deliverable/Service does not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.009 Reformation and Severability

Each provision of the Contract is severable from all other provisions of the Contract and, if one or more of the provisions of the Contract is declared invalid, the remaining provisions of the Contract remain in full force and effect.

2.010 Consents and Approvals

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, the consent or approval must be in writing and must not be unreasonably withheld or delayed.

2.011 No Waiver of Default

If a party fails to insist upon strict adherence to any term of the Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of the Contract.

2.012 Survival

Any provisions of the Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section

2.020 Contract Administration

2.021 Issuing Office

This Contract is issued by the Department of Management and Budget, Purchasing Operations and Michigan Department of Information Technology on behalf of the Michigan State Police (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The Purchasing Operations Contract Administrator for this Contract is:

Dale Reif
Buyer
Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
reifd@michigan.gov
517-373-3993

2.022 Contract Compliance Inspector

The Director of Purchasing Operations directs the person named below, or his or her designee, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. **Monitoring Contract activities does not imply the authority to change, modify, clarify, amend, or otherwise alter the prices, terms,**



conditions and specifications of the Contract. Purchasing Operations is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract. The Contract Compliance Inspector for this Contract is:

Barb Suska
Contract Administrator
Michigan Department of Information Technology
525 W. Allegan Street
Constitution Hall – 1st floor North Tower
Suskab2@michigan.gov
517-335-4067

2.023 Project Manager

The following individual will oversee the project:

Peter Langenfeld
Michigan State Police
Criminal Records Division
106 W. Allegan Street
Hollister Building
Lansing, MI 48933
langenfp@michigan.gov
517-636-0122

2.024 Change Requests

The State reserves the right to request from time to time any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the Services/Deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the State requests or directs the Contractor to perform any Services/Deliverables that are outside the scope of the Contractor's responsibilities under the Contract ("New Work"), the Contractor must notify the State promptly, and before commencing performance of the requested activities, that it believes the requested activities are New Work. If the Contractor fails to notify the State before commencing performance of the requested activities, any such activities performed before the Contractor gives notice shall be conclusively considered to be in-scope Services/Deliverables, not New Work.

If the State requests or directs the Contractor to perform any services or provide deliverables that are consistent with and similar to the Services/Deliverables being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the Statements of Work, then before performing such services or providing such deliverables, the Contractor shall notify the State in writing that it considers the services or deliverables to be an Additional Service/Deliverable for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable. If the Contractor does so notify the State, then such a service or deliverable shall be governed by the Change Request procedure in this Section.

In the event prices or service levels are not acceptable to the State, the Additional Services or New Work shall be subject to competitive bidding based upon the specifications.



- (1) **Change Request at State Request**
If the State should require Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a "Change"), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a "Change Request").
- (2) **Contractor Recommendation for Change Requests:**
Contractor shall be entitled to propose a Change to the State, on its own initiative, should it be of the opinion that this would benefit the Contract.
- (3) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.
- (4) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").
- (5) No proposed Change must be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, Purchasing Operations.
- (6) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

2.025 Notices

Any notice given to a party under the Contract must be deemed effective, if addressed to the party as addressed below, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section; (iii) the third Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

State:

State of Michigan
 Purchasing Operations
 Attention: Dale Reif
 PO Box 30026
 530 West Allegan
 Lansing, Michigan 48909

Contractor:
 DataWorks Plus
 728 N. Pleasantburg Drive
 Greenville, SC 29607
 Attention: Lisa Cole

Either party may change its address where notices are to be sent by giving notice according to this Section.



2.026 Binding Commitments

Representatives of Contractor must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in the Contract. Contractor may change the representatives from time to time upon written notice.

2.027 Relationship of the Parties

The relationship between the State and Contractor is that of client and independent contractor. No agent, employee, or servant of Contractor or any of its Subcontractors must be or must be deemed to be an employee, agent or servant of the State for any reason. Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

2.028 Covenant of Good Faith

Each party must act reasonably and in good faith. Unless stated otherwise in the Contract, the parties will not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

2.029 Assignments

Neither party may assign the Contract, or assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. If the State permits an assignment, the Contractor is not relieved of its responsibility to perform any of its contractual duties, and the requirement under the Contract that all payments must be made to one entity continues.

If the Contractor intends to assign the contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State in writing at least 90 days before the assignment. The Contractor also must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.

2.030 General Provisions

2.031 Media Releases

News releases (including promotional literature and commercial advertisements) pertaining to the RFP and Contract or project to which it relates shall not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with the RFP and Contract are to be released without prior written approval of the State and then only to persons designated.

2.032 Contract Distribution

Purchasing Operations retains the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Purchasing Operations.



2.033 Permits

Contractor must obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State must pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.034 Website Incorporation

The State is not bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

2.035 Future Bidding Preclusion

Contractor acknowledges that, to the extent this Contract involves the creation, research, investigation or generation of a future RFP; it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP

2.036 Freedom of Information

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq (the "FOIA").

2.037 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract will provide the State with priority service for repair and work around in the event of a natural or man-made disaster.

2.040 Financial Provisions

2.041 Fixed Prices for Services/Deliverables

Each Statement of Work or Purchase Order issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.042 Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under this Contract is subsequently reduced by the State, the parties shall negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope.

2.043 Services/Deliverables Covered

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under this Contract, the State shall not be obligated to pay any amounts in addition to the charges specified in this Contract.

2.044 Invoicing and Payment – In General

(a) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.



- (b) Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.
- (c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.
- (d) Contract Payment Schedule
1. Contractor request for performance-based payment.
The Contractor may submit requests for payment of performance-based payments not more frequently than annually, in a form and manner acceptable to the Contract Administrator. Unless otherwise authorized by the Contract Administrator, all performance-based payments in any period for which payment is being requested shall be included in a single request, appropriately itemized and totaled.
 2. Approval and payment of requests.
The Contractor shall not be entitled to payment of a request for performance-based payment prior to successful accomplishment of the event or performance criterion for which payment is requested. The Contract Administrator shall determine whether the event or performance criterion for which payment is requested has been successfully accomplished in accordance with the terms of the contract. The Contract Administrator may, at any time, require the Contractor to substantiate the successful performance of any event or performance criterion, which has been or is represented as being payable.

A payment under this performance-based payment clause is a contract financing payment under the Quick Payment Terms in **Section 1.601** of this Contract.

The approval by the Contract Administrator of a request for performance-based payment does not constitute an acceptance by the Government and does not excuse the Contractor from performance of obligations under this Contract.

2.045 Pro-ration

To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services shall be pro-rated for any partial month.

2.046 Antitrust Assignment

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

2.047 Final Payment

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with this Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under this Contract shall constitute a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still unsettled.



2.048 Electronic Payment Requirement

Electronic transfer of funds is required for payments on State Contracts. Contractors are required to register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in Public Act 431 of 1984, all contracts that the State enters into for the purchase of goods and services shall provide that payment will be made by electronic fund transfer (EFT).

2.050 Taxes

2.051 Employment Taxes

Contractors are expected to collect and pay all applicable federal, state, and local employment taxes, including the taxes.

2.052 Sales and Use Taxes

Contractors are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining “two or more trades or businesses under common control” the term “organization” means sole proprietorship, a partnership (as defined in § 701(a) (2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

2.060 Contract Management

2.061 Contractor Personnel Qualifications

All persons assigned by Contractor to the performance of Services under this Contract must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and must be fully qualified to perform the work assigned to them. Contractor must include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent contractors engaged by Contractor solely in a staff augmentation role must be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

2.062 Contractor Key Personnel

- (a) The Contractor must provide the Contract Compliance Inspector with the names of the Key Personnel.
- (b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.
- (c) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection.
- (d) Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State. The Contractor’s removal of Key Personnel without the prior written consent of the State is an unauthorized removal (“Unauthorized Removal”). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause



termination of the Key Personnel's employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.

- (e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

2.063 Re-assignment of Personnel at the State's Request

The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted for a time as agreed to by the parties.

2.064 Contractor Personnel Location

All staff assigned by Contractor to work on the Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.065 Contractor Identification

Contractor employees must be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.066 Cooperation with Third Parties

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor will provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with the requests for access.

2.067 Contract Management Responsibilities

Contractor shall be responsible for all acts and omissions of its employees, as well as the acts and omissions of any other personnel furnished by Contractor to perform the Services. Contractor shall have overall responsibility for managing and successfully performing and completing the Services/Deliverables, subject to the overall direction and supervision of the State and with the participation and support of the State as specified in this Contract. Contractor's duties will include monitoring and reporting the State's performance of its participation and support responsibilities (as well as Contractor's own responsibilities) and providing timely



notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with the Project Plan is likely to delay the timely achievement of any Contract tasks.

The Contractor will provide the Services/Deliverables directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor will act as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables. Nothing in this Contract, however, shall be construed to authorize or require any party to violate any applicable law or regulation in its performance of this Contract.

2.068 Contractor Return of State Equipment/Resources

The Contractor must return to the State any State-furnished equipment, facilities and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

2.070 Subcontracting by Contractor

2.071 Contractor full Responsibility

Contractor shall have full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.

2.072 State Consent to delegation

Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Management and Budget, Purchasing Operations has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted for a time agreed upon by the parties.

2.073 Subcontractor bound to Contract

In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract. A list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract is attached.



2.074 Flow Down

Except where specifically approved in writing by the State on a case-by-case basis, Contractor shall flow down the obligations in **Sections 2.031, 2.060, 2.100, 2.110, 2.120, 2.130, and 2.200** in all of its agreements with any Subcontractors.

2.075 Competitive Selection

The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.

2.080 State Responsibilities

2.081 Equipment

The State will provide only the equipment and resources identified in the Statements of Work and other Contract Exhibits.

2.082 Facilities

The State must designate space as long as it is available and as provided in the Statement of Work, to house the Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). The Contractor must have reasonable access to, and unless agreed otherwise by the parties in writing must observe and comply with all rules and regulations relating to each of the State Facilities (including hours of operation) used by the Contractor in the course of providing the Services. Contractor agrees that it will not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for the Contractor's use, or to which the Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

2.090 Security

2.091 Background Checks

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel will also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/dit>. Furthermore, Contractor personnel will be expected to agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will be expected to comply with all Physical Security procedures in place within the facilities where they are working.

2.092 Security Breach Notification

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.



2.093 PCI DATA Security Requirements

Contractors with access to credit/debit card cardholder data must adhere to the Payment Card Industry (PCI) Data Security requirements. Contractor agrees that they are responsible for security of cardholder data in their possession. Contractor agrees that data can ONLY be used for assisting the State in completing a transaction, supporting a loyalty program, supporting the State, providing fraud control services, or for other uses specifically required by law.

Contractor agrees to provide business continuity in the event of a major disruption, disaster or failure.

The Contractor will contact the Department of Management and Budget, Financial Services immediately to advise them of any breaches in security where card data has been compromised. In the event of a security intrusion, the Contractor agrees the Payment Card Industry representative, or a Payment Card Industry approved third party, will be provided with full cooperation and access to conduct a thorough security review. The review will validate compliance with the Payment Card Industry Data Security Standard for protecting cardholder data.

Contractor agrees to properly dispose sensitive cardholder data when no longer needed. The Contractor will continue to treat cardholder data as confidential upon contract termination.

The Contractor will provide the Department of Management and Budget, Financial Services documentation showing PCI Data Security certification has been achieved. The Contractor will advise the Department of Management and Budget, Financial Services of all failures to comply with the PCI Data Security Requirements. Failures include, but are not limited to system scans and self-assessment questionnaires. The Contractor will provide a time line for corrective action.

2.100 Confidentiality

2.101 Confidentiality

Contractor and the State each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor must mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below), which is marked confidential, restricted, proprietary, or with a similar designation. "Confidential Information" of the State must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. "Confidential Information" excludes any information (including this Contract) that is publicly available under the Michigan FOIA.

2.102 Protection and Destruction of Confidential Information

The State and Contractor will each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.



Promptly upon termination or cancellation of the Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information.

2.103 Exclusions

Notwithstanding the foregoing, the provisions in this Section will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of this Section will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

2.104 No Implied Rights

Nothing contained in this Section must be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.105 Respective Obligations

The parties' respective obligations under this Section must survive the termination or expiration of this Contract for any reason.

2.110 Records and Inspections

2.111 Inspection of Work Performed

The State's authorized representatives must at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and must have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State's representatives must be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives.

2.112 Examination of Records

For seven years after the Contractor provides any work under this Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State must notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

2.113 Retention of Records

Contractor must maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the



records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.114 Audit Resolution

If necessary, the Contractor and the State will meet to review each audit report promptly after issuance. The Contractor will respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. The Contractor and the State must develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in the audit report.

2.115 Errors

If the audit demonstrates any errors in the documents provided to the State, then the amount in error must be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four invoices. If a balance remains after four invoices, then the remaining amount will be due as a payment or refund within 45 days of the last quarterly invoice that the balance appeared on or termination of the contract, whichever is earlier.

In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor must pay all of the reasonable costs of the audit.

2.120 Warranties

2.121 Warranties and Representations

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract.
- (b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.
- (c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under neither this Contract, nor their use by the State will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
- (e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (f) It is qualified and registered to transact business in all locations where required.
- (g) Neither the Contractor nor any Affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.
- (h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or must accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.



- (i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or the Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
- (j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
- (k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor.
- (l) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.
- (m) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.
- (n) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Management and Budget, Purchasing Operations.

2.122 Warranty of Merchantability

Goods provided by Contractor under this agreement shall be merchantable. All goods provided under this Contract shall be of good quality within the description given by the State, shall be fit for their ordinary purpose, shall be adequately contained and packaged within the description given by the State, shall conform to the agreed upon specifications, and shall conform to the affirmations of fact made by the Contractor or on the container or label.

2.123 Warranty of Fitness for a Particular Purpose

When the Contractor has reason to know or knows any particular purpose for which the goods are required, and the State is relying on the Contractor's skill or judgment to select or furnish suitable goods, there is a warranty that the goods are fit for such purpose.

2.124 Warranty of Title

Contractor shall, in providing goods to the State, convey good title in those goods, whose transfer is right and lawful. All goods provided by Contractor shall be delivered free from any security interest, lien, or encumbrance of which the State, at the time of contracting, has no knowledge. Goods provided by Contractor, under this Contract, shall be delivered free of any rightful claim of any third person by of infringement or the like.

2.125 Equipment Warranty

To the extent Contractor is responsible under this Contract for maintaining equipment/system(s), Contractor represents and warrants that it will maintain the equipment/system(s) in good operating condition and will undertake all repairs and preventive maintenance according to the applicable manufacturer's recommendations for the period specified in this Contract.

The Contractor represents and warrants that the equipment/system(s) are in good operating condition and operates and performs to the requirements and other standards of performance contained in this Contract,



when installed, at the time of Final Acceptance by the State, and for a period of (1) one year commencing upon the first day following Final Acceptance.

Within _____ business days of notification from the State, the Contractor must adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor must assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

The Contractor must provide a toll-free telephone number to allow the State to report equipment failures and problems to be remedied by the Contractor.

The Contractor agrees that all warranty service it provides under this Contract must be performed by Original Equipment Manufacturer (OEM) trained, certified and authorized technicians.

The Contractor is the sole point of contact for warranty service. The Contractor warrants that it will pass through to the State any warranties obtained or available from the original equipment manufacturer, including any replacement, upgraded, or additional equipment warranties.

2.126 Equipment to be New

If applicable, all equipment provided under this Contract by Contractor shall be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

2.127 Prohibited Products

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, shall be considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items shall remain consistent for the term of the Contract, unless Purchasing Operations has approved a change order pursuant to **Section 2.024**.

2.128 Consequences for Breach

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, the breach may be considered as a default in the performance of a material obligation of this Contract.

2.130 Insurance

2.131 Liability Insurance

The Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must protect the State from claims that may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether the services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain under this Contract.

All insurance coverage provided relative to this Contract/Purchase Order is PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance must be written for not less than any minimum coverage specified in this Contract or required by law, whichever is greater.



The insurers selected by Contractor must have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if the ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contract must be issued by companies that have been approved to do business in the State.

See www.michigan.gov/dleg.

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State must be entitled to coverage to the extent of the higher limits.

The Contractor is required to pay for and provide the type and amount of insurance checked below:

- 1. Commercial General Liability with the following minimum coverage:
 - \$2,000,000 General Aggregate Limit other than Products/Completed Operations
 - \$2,000,000 Products/Completed Operations Aggregate Limit
 - \$1,000,000 Personal & Advertising Injury Limit
 - \$1,000,000 Each Occurrence Limit

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- 3. Workers' compensation coverage must be provided according to applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If a self-insurer provides the applicable coverage, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision must not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

- 4. Employers liability insurance with the following minimum limits:
 - \$100,000 each accident
 - \$100,000 each employee by disease
 - \$500,000 aggregate disease

- 5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars (\$1,000,000.00) with a maximum deductible of fifty thousand dollars (\$50,000.00).



- 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.
- 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars (\$3,000,000.00) each occurrence and three million dollars (\$3,000,000.00) annual aggregate.
- 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

2.132 Subcontractor Insurance Coverage

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor must require all of its Subcontractors under this Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor(s) must fully comply with the insurance coverage required in this Section. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to DMB Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **The Contract Number or the Purchase Order Number must be shown on the Certificate Of Insurance To Assure Correct Filing.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverage afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insured under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and must not be construed; to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.



2.140 Indemnification

2.141 General Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

2.142 Code Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

2.143 Employee Indemnification

In any claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract must not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

2.144 Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that the action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor must at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if the option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if the option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Notwithstanding the foregoing, the Contractor has no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.



2.145 Continuation of Indemnification Obligations

The Contractor's duty to indemnify under this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

2.146 Indemnification Procedures

The procedures set forth below must apply to all indemnity obligations under this Contract.

- (a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.
- (c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

2.150 Termination/Cancellation

2.151 Notice and Right to Cure

If the Contractor breaches the contract, and the State in its sole discretion determines that the breach is curable, then the State will provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.



2.152 Termination for Cause

- (a) The State may terminate this contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State
- (b) If this Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.
- (c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.
- (d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.

2.153 Termination for Convenience

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.

2.154 Termination for Non-Appropriation

- (a) Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State must terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).
- (b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.
- (c) If the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process



performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.155 Termination for Criminal Conviction

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

2.156 Termination for Approvals Rescinded

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State will pay the Contractor for only the work completed to that point under the Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

2.157 Rights and Obligations upon Termination

- (a) If the State terminates this Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.
- (b) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
- (c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 Reservation of Rights

Any termination of this Contract or any Statement of Work issued under it by a party must be with full reservation of, and without prejudice to, any rights or remedies otherwise available to the party with respect to any claims arising before or as a result of the termination.



2.160 Termination by Contractor

2.161 Termination by Contractor

If the State breaches the Contract, and the Contractor in its sole discretion determines that the breach is curable, then the Contractor will provide the State with written notice of the breach and a time period (not less than 30 days) to cure the breach. The Notice of Breach and opportunity to cure is inapplicable for successive and repeated breaches.

The Contractor may terminate this Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under this Contract, (ii) breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But the Contractor must discharge its obligations under **Section 2.160** before it terminates the Contract.

2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed **(insert number of days based on criticalness of project)** days. These efforts must include, but are not limited to, those listed in **Sections 2.141, 2.142, 2.143, 2.144, and 2.145.**

2.172 Contractor Personnel Transition

The Contractor must work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors or vendors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

2.173 Contractor Information Transition

The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor will deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

2.174 Contractor Software Transition

The Contractor must reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This must include any documentation being used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses must, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.



2.175 Transition Payments

If the transition results from a termination for any reason, the termination provisions of this Contract must govern reimbursement. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates agreed upon by the State. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.176 State Transition Responsibilities

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to reconcile all accounts between the State and the Contractor, complete any pending post-project reviews and perform any others obligations upon which the State and the Contractor agree.

- (a) Reconciling all accounts between the State and the Contractor;
- (b) Completing any pending post-project reviews.

2.180 Stop Work

2.181 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.180**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.150**.

2.182 Cancellation or Expiration of Stop Work Order

The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment will conform to the requirements of **Section 2.024**.

2.183 Allowance of Contractor Costs

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, the termination must be deemed to be a termination for convenience under **Section 2.153**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not liable to Contractor for loss of profits because of a stop work order issued under this Section.

2.190 Dispute Resolution

2.191 In General

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed



accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

2.192 Informal Dispute Resolution

(a) All disputes between the parties must be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Purchasing Operations, DMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:

(1) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

(2) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will be honored in order that each of the parties may be fully advised of the other's position.

(3) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.

(4) Following the completion of this process within 60 calendar days, the Director of Purchasing Operations, DMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.

(b) This Section will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under Section 2.193.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is the that the damages to the party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.194 Continued Performance

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.150**, as the case may be.

2.200 Federal and State Contract Requirements

2.201 Nondiscrimination

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, and marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101,



et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

2.202 Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.203 Workplace Safety and Discriminatory Harassment

In performing Services for the State, the Contractor must comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor must comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

2.204 Prevailing Wage

The rates of wages and fringe benefits to be paid each class of individuals employed by the Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this Contract in privity of contract with the Contractor shall not be less than the wage rates and fringe benefits established by the Michigan Department of Labor and Economic Development, Wage and Hour Bureau, schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor shall include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

The Contractor, its subcontractors, their subcontractors and all persons involved with the performance of this contract in privity of contract with the Contractor shall keep posted on the work site, in a conspicuous place, a copy of all wage rates and fringe benefits as prescribed in the contract. You must also post, in a conspicuous place, the address and telephone number of the Michigan Department of Labor and Economic Development, the office responsible for enforcement of the wage rates and fringe benefits. You shall keep an accurate record showing the name and occupation of the actual wage and benefits paid to each individual employed in connection with this contract. This record shall be available to the State upon request for reasonable inspection.

If any trade is omitted from the list of wage rates and fringe benefits to be paid to each class of individuals by the Contractor, it is understood that the trades omitted shall also be paid not less than the wage rate and fringe benefits prevailing in the local where the work is to be performed.

2.210 Governing Law

2.211 Governing Law

The Contract must in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.212 Compliance with Laws

Contractor shall comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.



2.213 Jurisdiction

Any dispute arising from the Contract must be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.220 Limitation of Liability

2.221 Limitation of Liability

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The Contractor's liability for damages to the State is limited to two times the value of the Contract or \$500,000 which ever is higher. The foregoing limitation of liability does not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to the Contractor is limited to the value of the Contract.

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation

Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor must disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements that are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

- (a) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (b) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
 - (1) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and



- (2) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.
- (c) Contractor must make the following notifications in writing:
- (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DMB Purchasing Operations.
 - (2) Contractor must also notify DMB Purchasing Operations within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
 - (3) Contractor must also notify DMB Purchase Operations within 30 days whenever changes to company affiliations occur.

2.232 Call Center Disclosure

Contractor and/or all subcontractors involved in the performance of this Contract providing call or contact center services to the State must disclose the location of its call or contact center services to inbound callers. Failure to disclose this information is a material breach of this Contract.

2.233 Bankruptcy

The State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish the Works in Process by whatever appropriate method the State may deem expedient if:

- (a) the Contractor files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 30 days;
- (c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under this Contract.

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process must be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

2.240 Performance

2.241 Time of Performance

- (a) Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.
- (b) Without limiting the generality of **Section 2.241**, Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.
- (c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 Service Level Agreement (SLA)

- (a) SLAs will be completed with the following operational considerations:
 - (1) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.



- (2) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.
- (3) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.
- (4) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:
 - (i) Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.
 - (ii) Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.
- (b) Chronic Failure for any Service(s) will be defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service will not affect any tiered pricing levels.
- (c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.
- (d) All decimals must be rounded to two decimal places with five and greater rounding up and four and less rounding down unless otherwise specified.

2.243 Liquidated Damages

The parties acknowledge that late or improper completion of the Work will cause loss and damage to the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result. Therefore, Contractor and the State agree that if there is late or improper completion of the Work and the State does not elect to exercise its rights under **Section 2.141**, the State is entitled to collect liquidated damages in the amount of \$5,000.00 and an additional \$100.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.

Unauthorized Removal of any Key Personnel

It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.141**, the State may assess liquidated damages against Contractor as specified below.

For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the liquidated damages amount is \$25,000.00 per individual if the Contractor identifies a replacement approved by the State under **Section 2.060** and assigns the replacement to the Project to shadow the Key Personnel who is leaving for a period of at least 30 days before the Key Personnel's removal.

If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 days, in addition to the \$25,000.00 liquidated damages for an Unauthorized Removal, Contractor must pay the amount of \$833.33 per day for each day of the 30 day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$25,000.00 maximum per individual. The total liquidated damages that may be assessed per Unauthorized Removal and failure to provide 30 days of shadowing must not exceed \$50,000.00 per individual.



2.244 Excusable Failure

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. But the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.250 Approval of Deliverables

2.251 Delivery of Deliverables

A list of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable") or a Custom Software Deliverable is attached, if applicable. All Deliverables shall be completed and delivered for State review and written approval and, where applicable, installed in accordance with the State-approved delivery schedule and any other applicable terms and conditions of this Contract.

Prior to delivering any Deliverable to the State, Contractor will first perform all required quality assurance activities, and, in the case of Custom Software Deliverables, System Testing to verify that the Deliverable is complete and in conformance with its specifications. Before delivering a Deliverable to the State, Contractor shall certify to the State that (1) it has performed such quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during such quality assurance activities and testing, (4) the Deliverable is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.



In discharging its obligations under this Section, Contractor shall be at all times (except where the parties agree otherwise in writing) in compliance with Level 3 of the Software Engineering Institute's Capability Maturity Model for Software ("CMM Level 3") or its equivalent.

2.252 Contractor System Testing

Contractor will be responsible for System Testing each Custom Software Deliverable in Contractor's development environment prior to turning over the Custom Software Deliverable to the State for User Acceptance Testing and approval. Contractor's System Testing shall include the following, at a minimum, plus any other testing required by CMM Level 3 or Contractor's system development methodology:

Contractor will be responsible for performing Unit Testing and incremental Integration Testing of the components of each Custom Software Deliverable.

Contractor's System Testing will also include Integration Testing of each Custom Software Deliverable to ensure proper inter-operation with all prior software Deliverables, interfaces and other components that are intended to inter-operate with such Custom Software Deliverable, and will include Regression Testing, volume and stress testing to ensure that the Custom Software Deliverables are able to meet the State's projected growth in the number and size of transactions to be processed by the Application and number of users, as such projections are set forth in the applicable Statement of Work.

Contractor's System Testing will also include Business Function Testing and Technical Testing of each Application in a simulated production environment. Business Function Testing will include testing of full work streams that flow through the Application as the Application will be incorporated within the State's computing environment. The State shall participate in and provide support for the Business Function Testing to the extent reasonably requested by Contractor. Within ten (10) days before the commencement of Business Function Testing pursuant to this Section, Contractor shall provide the State for State review and written approval Contractor's test plan for Business Function Testing.

Within five (5) Business Days following the completion of System Testing pursuant to this **Section**, Contractor shall provide to the State a testing matrix establishing that testing for each condition identified in the System Testing plans has been conducted and successfully concluded. To the extent that testing occurs on State premises, the State shall be entitled to observe or otherwise participate in testing under this Section as the State may elect.

2.253 Approval of Deliverables, In General

All Deliverables (Written Deliverables and Custom Software Deliverables) require formal written approval by the State, in accordance with the following procedures. Formal approval by the State requires that the Deliverable be confirmed in writing by the State to meet its specifications, which, in the case of Custom Software Deliverables, will include the successful completion of State User Acceptance Testing, to be led by the State with the support and assistance of Contractor. The parties acknowledge that the approval process set forth herein will be facilitated by ongoing consultation between the parties, visibility of interim and intermediate Deliverables and collaboration on key decisions.

The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables being reviewed. If Contractor fails to provide a Deliverable to the State in a timely manner, the State will nevertheless use commercially reasonable efforts to complete its review or testing within the applicable State Review Period.

Before commencement of its review or testing of a Deliverable, the State may inspect the Deliverable to confirm that all components of the Deliverable (e.g., software, associated documentation, and other materials) have been delivered. If the State determines that the Deliverable is incomplete, the State may refuse delivery of the Deliverable without performing any further inspection or testing of the Deliverable. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable and the applicable certification by Contractor in accordance with this Section.



The State will approve in writing a Deliverable upon confirming that it conforms to and, in the case of a Custom Software Deliverable, performs in accordance with, its specifications without material deficiency. The State may, but shall not be required to, conditionally approve in writing a Deliverable that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable that remain outstanding at the time of State approval.

If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing State approval of a Deliverable, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep this Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor shall bear any excess expenditure incurred by the State in so doing beyond the contract price for such Deliverable and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State's general expenses without the need to furnish proof in substantiation of such general expenses; or (iii) terminate this Contract for default, either in whole or in part by notice to Contractor (and without the need to afford Contractor any further opportunity to cure). Notwithstanding the foregoing, the State shall not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

The State, at any time and in its own discretion, may halt the UAT or approval process if such process reveals deficiencies in or problems with a Deliverable in a sufficient quantity or of a sufficient severity as to make the continuation of such process unproductive or unworkable. In such case, the State may return the applicable Deliverable to Contractor for correction and re-delivery prior to resuming the review or UAT process and, in that event, Contractor will correct the deficiencies in such Deliverable in accordance with the Contract, as the case may be.

Approval in writing of a Deliverable by the State shall be provisional; that is, such approval shall not preclude the State from later identifying deficiencies in, and declining to accept, a subsequent Deliverable based on or which incorporates or inter-operates with an approved Deliverable, to the extent that the results of subsequent review or testing indicate the existence of deficiencies in the subsequent Deliverable, or if the Application of which the subsequent Deliverable is a component otherwise fails to be accepted pursuant to **Section 2.080**.

2.254 Process for Approval of Written Deliverables

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Written Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Written Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Written Deliverable (or at the State's election, subsequent to approval of the Written Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within five (5) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Written Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Written Deliverable to confirm that the identified deficiencies have been corrected.

2.255 Process for Approval of Custom Software Deliverables

The State will conduct UAT of each Custom Software Deliverable in accordance with the following procedures to determine whether it meets the criteria for State approval – i.e., whether it conforms to and performs in accordance with its specifications without material deficiencies.



Within thirty (30) days (or such other number of days as the parties may agree to in writing) prior to Contractor's delivery of any Custom Software Deliverable to the State for approval, Contractor shall provide to the State a set of proposed test plans, including test cases, scripts, data and expected outcomes, for the State's use (which the State may supplement in its own discretion) in conducting UAT of the Custom Software Deliverable. Contractor, upon request by the State, shall provide the State with reasonable assistance and support during the UAT process.

For the Custom Software Deliverables listed in an attachment, the State Review Period for conducting UAT will be as indicated in the attachment. For any other Custom Software Deliverables not listed in an attachment, the State Review Period shall be the number of days agreed in writing by the parties (failing which it shall be forty-five (45) days by default). The State Review Period for each Custom Software Deliverable will begin when Contractor has delivered the Custom Software Deliverable to the State accompanied by the certification required by this **Section** and the State's inspection of the Deliverable has confirmed that all components of it have been delivered.

The State's UAT will consist of executing test scripts from the proposed testing submitted by Contractor, but may also include any additional testing deemed appropriate by the State. If the State determines during the UAT that the Custom Software Deliverable contains any deficiencies, the State will notify Contractor of the deficiency by making an entry in an incident reporting system available to both Contractor and the State. Contractor will modify promptly the Custom Software Deliverable to correct the reported deficiencies, conduct appropriate System Testing (including, where applicable, Regression Testing) to confirm the proper correction of the deficiencies and re-deliver the corrected version to the State for re-testing in UAT. Contractor will coordinate the re-delivery of corrected versions of Custom Software Deliverables with the State so as not to disrupt the State's UAT process. The State will promptly re-test the corrected version of the Software Deliverable after receiving it from Contractor.

Within three (3) business days after the end of the State Review Period, the State will give Contractor a written notice indicating the State's approval or rejection of the Custom Software Deliverable according to the criteria and process set out in this **Section**.

2.256 Final Acceptance

"Final Acceptance" shall be considered to occur when the Custom Software Deliverable to be delivered has been approved by the State and has been operating in production without any material deficiency for fourteen (14) consecutive days. If the State elects to defer putting a Custom Software Deliverable into live production for its own reasons, not based on concerns about outstanding material deficiencies in the Deliverable, the State shall nevertheless grant Final Acceptance of the Project.

2.260 Ownership

2.261 Ownership of Work Product by State

The State owns all Deliverables, as they are work made for hire by the Contractor for the State. The State owns all United States and international copyrights, trademarks, patents or other proprietary rights in the Deliverables.

2.262 Vesting of Rights

With the sole exception of any preexisting licensed works identified in the SOW, the Contractor assigns, and upon creation of each Deliverable automatically assigns, to the State, ownership of all United States and international copyrights, trademarks, patents, or other proprietary rights in each and every Deliverable, whether or not registered by the Contractor, insofar as any the Deliverable, by operation of law, may not be considered work made for hire by the Contractor for the State. From time to time upon the State's request, the Contractor must confirm the assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State may obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.



2.263 Rights in Data

The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The Contractor will not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of the Contractor. No employees of the Contractor, other than those on a strictly need-to-know basis, have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, the Contractor must only use personally identifiable information as strictly necessary to provide the Services and must disclose the information only to its employees who have a strict need-to-know the information. The Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.

The State is the owner of all State-specific data under the Contract. The State may use the data provided by the Contractor for any purpose. The State will not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State may use personally identifiable information only as strictly necessary to utilize the Services and must disclose the information only to its employees who have a strict need to know the information, except as provided by law. The State must comply at all times with all laws and regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

2.264 Ownership of Materials

The State and the Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. Any software licensed through the Contractor and sold to the State, will be licensed directly to the State.

2.270 State Standards

2.271 Existing Technology Standards

The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dit>.

2.272 Acceptable Use Policy

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see <http://www.michigan.gov/ditservice>. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

2.273 Systems Changes

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the Project Manager. Any changes Contractor makes to State systems with the State's approval must be done according to applicable State procedures, including security, access and configuration management procedures.

2.280 Extended Purchasing

2.281 MiDEAL (Michigan Delivery Extended Agreements Locally

(Use the following terms for if not mandatory MiDEAL project)

Public Act 431 of 1984 permits DMB to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. A current listing of approved program members is available at: www.michigan.gov/buymichiganfirst. Unless otherwise stated, the Contractor must ensure that the non-state agency is an authorized purchaser before extending the Contract pricing.



The Contractor will supply Contract Services and equipment to these local governmental agencies at the established State of Michigan contract prices and terms to the extent applicable and where available. The Contractor must send its invoices to, and pay the local unit of government, on a direct and individual basis.

To the extent that authorized local units of government purchase quantities of Services and/or equipment under this Contract, the quantities of Services and/or equipment purchased will be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

or (Use the following terms for MANDATORY MiDEAL projects, be sure to Reserve Section 5.018)

Act Number 431 of the Public Acts of 1984 permits the State of Michigan, Department of Management and Budget, to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. As a result of the enactment of this legislation, the MIDEAL Program has been developed. This program extends the use of state contracts to program members. The governmental agency must enter into an agreement with the State of Michigan to become authorized to participate, thus ensuring that local units of government secure a greater return for the expenditure of public funds.

In those cases, contract vendors supply merchandise at the established State of Michigan contract prices and terms. The contract vendor must submit invoices and pay the authorized MIDEAL member on a direct and individual basis according to contract terms.

IT IS MANDATORY THAT ALL CONTRACTS RESULTING FROM THIS RFP WILL BE MADE AVAILABLE TO ALL STATE OF MICHIGAN AGENCIES AND AUTHORIZED MIDEAL PURCHASING PROGRAM MEMBERS.

Please Visit Mi DEAL at www.michigan.gov/buymichiganfirst under MiDeal.

Estimated requirements for authorized local units of government are not included in the quantities shown in this RFP.

2.282 State Employee Purchases

The State allows State employees to purchase from this Contract. Unless otherwise stated, it is the responsibility of the Contractor to ensure that the State employee is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and Deliverables at the established State of Michigan contract prices and terms to the extent applicable and where available. The Contractor must send its invoices to and pay the State employee on a direct and individual basis.

To the extent that authorized State employees purchase quantities of Services or Deliverables under this Contract, the quantities of Services and/or Deliverables purchased will be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

2.290 Environmental Provision

2.291 Environmental Provision

Energy Efficiency Purchasing Policy: The State seeks wherever possible to purchase energy efficient products. This includes giving preference to U.S. Environmental Protection Agency (EPA) certified 'Energy Star' products for any category of products for which EPA has established Energy Star certification. For other purchases, the State may include energy efficiency as one of the priority factors to consider when choosing among comparable products.



Environmental Purchasing Policy: The State of Michigan is committed to encouraging the use of products and services that impact the environment less than competing products. The State is accomplishing this by including environmental considerations in purchasing decisions, while remaining fiscally responsible, to promote practices that improve worker health, conserve natural resources, and prevent pollution. Environmental components that are to be considered include: recycled content and recyclables; energy efficiency; and the presence of undesirable materials in the products, especially those toxic chemicals which are persistent and bioaccumulative. The Contractor should be able to supply products containing recycled and environmentally preferable materials that meet performance requirements and is encouraged to offer such products throughout the duration of this Contract. Information on any relevant third party certification (such as Green Seal, Energy Star, etc.) should also be provided.

Hazardous Materials: For the purposes of this Section, "Hazardous Materials" is a generic term used to describe asbestos, ACBMs, PCBs, petroleum products, construction materials including paint thinners, solvents, gasoline, oil, and any other material the manufacture, use, treatment, storage, transportation or disposal of which is regulated by the federal, state or local laws governing the protection of the public health, natural resources or the environment. This includes, but is not limited to, materials the as batteries and circuit packs, and other materials that are regulated as (1) "Hazardous Materials" under the Hazardous Materials Transportation Act, (2) "chemical hazards" under the Occupational Safety and Health Administration standards, (3) "chemical substances or mixtures" under the Toxic Substances Control Act, (4) "pesticides" under the Federal Insecticide Fungicide and Rodenticide Act, and (5) "hazardous wastes" as defined or listed under the Resource Conservation and Recovery Act.

- (a) The Contractor must use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State and local laws. The State must provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State must advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor must immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.
- (b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State must order a suspension of Work in writing. The State must proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State must terminate the affected Work for the State's convenience.
- (c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor must resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in a time as mutually agreed by the parties.
- (d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor must bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

Labeling: Michigan has a Consumer Products Rule pertaining to labeling of certain products containing volatile organic compounds. For specific details visit http://www.michigan.gov/deq/0,1607,7-135-3310_4108-173523--,00.html



Refrigeration and Air Conditioning: The Contractor shall comply with the applicable requirements of Sections 608 and 609 of the Clean Air Act (42 U.S.C. 7671g and 7671h) as each or both apply to this contract.

Environmental Performance: Waste Reduction Program - Contractor shall establish a program to promote cost-effective waste reduction in all operations and facilities covered by this contract. The Contractor's programs shall comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the Resource Conservation and Recovery Act (42 U.S.C. 6962, et seq.).

2.300 Deliverables

2.301 Software

A list of the items of software the State is required to purchase for execution the Contract is attached. The list includes all software required to complete the Contract and make the Deliverables operable; if any additional software is required in order for the Deliverables to meet the requirements of this Contract, such software shall be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Statement of Work or Contract Change Notice). The attachment also identifies certain items of software to be provided by the State.

2.302 Hardware

A list of the items of hardware the State is required to purchase for execution the Contract is attached. The list includes all hardware required to complete the Contract and make the Deliverables operable; if any additional hardware is required in order for the Deliverables to meet the requirements of this Contract, such hardware shall be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Contract Change Notice). The attachment also identifies certain items of hardware to be provided by the State.

2.310 Software Warranties

2.311 Performance Warranty

The Contractor represents and warrants that Deliverables, after Final Acceptance, will perform and operate in compliance with the requirements and other standards of performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of (90) ninety days. In the event of a breach of this warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.

2.312 No Surreptitious Code Warranty

The Contractor represents and warrants that no copy of licensed Software provided to the State contains or will contain any Self-Help Code or any Unauthorized Code as defined below. This warranty is referred to in this Contract as the "No Surreptitious Code Warranty."

As used in this Contract, "Self-Help Code" means any back door, time bomb, drop dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the licensee of the software. Self-Help Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

As used in this Contract, "Unauthorized Code" means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code. Unauthorized Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.



In addition, Contractor will use up-to-date commercial virus detection software to detect and remove any viruses from any software prior to delivering it to the State.

2.313 Calendar Warranty

The Contractor represents and warrants that all software for which the Contractor either sells or licenses to the State of Michigan and used by the State prior to, during or after the calendar year 2000, includes or shall include, at no added cost to the State, design and performance so the State shall not experience software abnormality and/or the generation of incorrect results from the software, due to date oriented processing, in the operation of the business of the State of Michigan.

The software design, to insure calendar year rollover compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited to, data stored in databases and hardware device internal system dates; calculations and program logic (e.g., sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

2.314 Third-party Software Warranty

The Contractor represents and warrants that it will disclose the use or incorporation of any third-party software into the Deliverables. At the time of Delivery, the Contractor shall provide in writing the name and use of any Third-party Software, including information regarding the Contractor's authorization to include and utilize such software. The notice shall include a copy of any ownership agreement or license that authorizes the Contractor to use the Third-party Software.

2.315 Physical Media Warranty

Contractor represents and warrants that each licensed copy of the Software provided by the Contractor is free from physical defects in the media that tangibly embodies the copy. This warranty does not apply to defects discovered more than (30) thirty days after that date of Final Acceptance of the Software by the State. This warranty does not apply to defects arising from acts of Excusable Failure. If the Contractor breaches this warranty, then the State shall be entitled to replacement of the non-compliant copy by Contractor, at Contractor's expense (including shipping and handling).

2.320 Software Licensing

2.321 Cross-License, Deliverables Only, License to Contractor

The State grants to the Contractor, the royalty-free, world-wide, non-exclusive right and license under any Deliverable now or in the future owned by the State, or with respect to which the State has a right to grant such rights or licenses, to the extent required by the Contractor to market the Deliverables and exercise its full rights in the Deliverables, including, without limitation, the right to make, use and sell products and services based on or incorporating such Deliverables.

2.322 Cross-License, Deliverables and Derivative Work, License to Contractor

The State grants to the Contractor, the royalty-free, world-wide, non-exclusive right and license under any Deliverable and/or Derivative Work now or in the future owned by the State, or with respect to which the State has a right to grant such rights or licenses, to the extent required by the Contractor to market the Deliverables and/or Derivative Work and exercise its full rights in the Deliverables and/or Derivative Work, including, without limitation, the right to make, use and sell products and services based on or incorporating such Deliverables and/or Derivative Work.



2.323 License Back to the State

Unless otherwise specifically agreed to by the State, before initiating the preparation of any Deliverable that is a Derivative of a preexisting work, the Contractor shall cause the State to have and obtain the irrevocable, nonexclusive, worldwide, royalty-free right and license to (1) use, execute, reproduce, display, perform, distribute internally or externally, sell copies of, and prepare Derivative Works based upon all preexisting works and Derivative Works thereof, and (2) authorize or sublicense others from time to time to do any or all of the foregoing.

2.324 License Retained by Contractor

Contractor grants to the State a non-exclusive, royalty-free, site-wide, irrevocable, transferable license to use the Software and related documentation according to the terms and conditions of this Contract. For the purposes of this license, "site-wide" includes any State of Michigan office regardless of its physical location.

The State may modify the Software and may combine such with other programs or materials to form a derivative work. The State will own and hold all copyright, trademarks, patent and other intellectual property rights in any derivative work, excluding any rights or interest in Software other than those granted in this Contract.

The State may copy each item of Software to multiple hard drives or networks unless otherwise agreed by the parties.

The State will make and maintain no more than one archival copy of each item of Software, and each copy will contain all legends and notices and will be subject to the same conditions and restrictions as the original. The State may also make copies of the Software in the course of routine backups of hard drive(s) for the purpose of recovery of hard drive contents.

In the event that the Contractor shall, for any reason, cease to conduct business, or cease to support the Software, the State shall have the right to convert these licenses into perpetual licenses, with rights of quiet enjoyment, but subject to payment obligations not to exceed the then current rates.

2.325 Pre-existing Materials for Custom Software Deliverables

Neither Contractor nor any of its Subcontractors shall incorporate any preexisting materials (including Standard Software) into Custom Software Deliverables or use any pre-existing materials to produce Custom Software Deliverables if such pre-existing materials will be needed by the State in order to use the Custom Software Deliverables unless (i) such pre-existing materials and their owners are identified to the State in writing and (ii) such pre-existing materials are either readily commercially available products for which Contractor or its Subcontractor, as the case may be, has obtained a license (in form and substance approved by the State) in the name of the State, or are materials that Contractor or its Subcontractor, as the case may be, has the right to license to the State and has licensed to the State on terms and conditions approved by the State prior to using such pre-existing materials to perform the Services.

2.330 Source Code Escrow

2.331 Definition

"Source Code Escrow Package" shall mean:

- (a) A complete copy in machine-readable form of the source code and executable code of the Licensed Software, including any updates or new releases of the product;
- (b) A complete copy of any existing design documentation and user documentation, including any updates or revisions; and/or
- (c) Complete instructions for compiling and linking every part of the source code into executable code for purposes of enabling verification of the completeness of the source code as provided below. Such instructions shall include precise identification of all compilers, library packages, and linkers used to generate executable code.



2.332 Delivery of Source Code into Escrow

Contractor shall deliver a Source Code Escrow Package to the Escrow Agent, pursuant to the Escrow Contract, which shall be entered into on commercially reasonable terms subject to the provisions of this Contract within (30) thirty days of the execution of this Contract.

2.333 Delivery of New Source Code into Escrow

If at anytime during the term of this Contract, the Contractor provides a maintenance release or upgrade version of the Licensed Software, Contractor shall within ten (10) days deposit with the Escrow Agent, in accordance with the Escrow Contract, a Source Code Escrow Package for the maintenance release or upgrade version, and provide the State with notice of the delivery.

2.334 Verification

The State reserves the right at any time, but not more than once a year, either itself or through a third party contractor, upon thirty (30) days written notice, to seek verification of the Source Code Escrow Package.

2.335 Escrow Fees

The Contractor will pay all fees and expenses charged by the Escrow Agent.

2.336 Release Events

The Source Code Escrow Package may be released from escrow to the State, temporarily or permanently, upon the occurrence of one or more of the following:

- (a) The Contractor becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under bankruptcy or insolvency law, whether domestic or foreign;
- (b) The Contractor has wound up or liquidated its business voluntarily or otherwise and the State has reason to believe that such events will cause the Contractor to fail to meet its warranties and maintenance obligations in the foreseeable future;
- (c) The Contractor voluntarily or otherwise discontinues support of the provided products or fails to support the products in accordance with its maintenance obligations and warranties.

2.337 Release Event Procedures

If the State desires to obtain the Source Code Escrow Package from the Escrow Agent upon the occurrence of an Event in this **Section**, then:

- (a) The State shall comply with all procedures in the Escrow Contract;
- (b) The State shall maintain all materials and information comprising the Source Code Escrow Package in confidence in accordance with this Contract;
- (c) If the release is a temporary one, then the State shall promptly return all released materials to Contractor when the circumstances leading to the release are no longer in effect.

2.338 License

Upon release from the Escrow Agent pursuant to an event described in this **Section**, the Contractor automatically grants the State a non-exclusive, irrevocable license to use, reproduce, modify, maintain, support, update, have made, and create Derivative Works. Further, the State shall have the right to use the Source Code Escrow Package in order to maintain and support the Licensed Software so that it can be used by the State as set forth in this Contract.

2.339 Derivative Works

Any Derivative Works to the source code released from escrow that are made by or on behalf of the State shall be the sole property of the State. The State acknowledges that its ownership rights are limited solely to the Derivative Works and do not include any ownership rights in the underlying source code.